Operation Sail expects the largest gathering of tall sailing ships ever to be assembled, and I thank my colleague from New York for helping to bring this out.

Ms. DELAURO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 64

Whereas Operation Sail is a nonprofit corporation dedicated to building good will among nations and encouraging international camaraderie;

Whereas Operation Sail has represented and promoted the United States of America in the international tall ship community since 1964, organizing and participating in numerous tall ship events across the United States and around the world;

Whereas Operation Sail has worked in partnership with every American President since President John F. Kennedy;

Whereas Operation Sail has established a great tradition of celebrating major events and milestones in United States history with a gathering of the world's tall ships, and will continue this great tradition with a gathering of ships in New York Harbor, called OpSail 2000, to celebrate the 224th birthday of the United States of America and to welcome the new millennium;

Whereas President Clinton has endorsed OpSail 2000, as Presidents Kennedy, Carter, Reagan, and Bush have endorsed Operation Sail in previous endeavors;

Whereas OpSail 2000 promises to be the largest gathering in history of tall ships and other majestic vessels like those that have sailed the ocean for centuries;

Whereas in conjunction with OpSail 2000, the United States Navy will conduct an International Naval Review; and

Whereas the International Naval Review will include a naval aircraft carrier as a symbol of the international good will of the United States of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) Operation Sail is commended for its advancement of brotherhood among nations, its continuing commemoration of the history of the United States, and its nurturing of young cadets through training in seamanship;

(2) all Americans and citizens of nations around the world are encouraged to join in the celebration of the 224th birthday of the United States of America and the international camaraderie that Operation Sail and the International Naval Review will foster; and

(3) Operation Sail is encouraged to continue into the next millennium to represent and promote the United States of America in the international tall ship community, and to continue organizing and participating in tall ship events across the United States and around the world.

The Senate joint resolution was ordered to be read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on Senate Joint Resolution 64.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

OMNIBUS CIVIL SERVICE REFORM ACT OF 1996

Mr. MICA. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3841), to amend the civil service laws of the United States, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. MORAN. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Florida [Mr. MICA], the subcommittee chairman, to explain the changes in the bill.

Mr. MICA. Mr. Speaker, yesterday the House voted on this legislation. Although a majority of the House voted for the bill, we fell short of the two-thirds required to suspend the rules and pass this legislation. Unfortunately the controversy centered on section 201 of that legislation and that version which we have deleted in this amendment. Under that section, the current rules on reduction in force would have been changed to give greater weight to job performance in determining which employees are retained. It would have been easier for the agencies, in fact, to keep their best employees when they downsize. Taxpayers and talented, conscientious Federal employees, I believe, would have benefited from this change. However, yesterday, Mr. Speaker, on this floor we did not get the two-thirds necessary to pass that provision.

Mr. Speaker, yesterday on the floor, the distinguished gentlewoman from Maryland [Mrs. MORELLA], the distinguished gentleman from Virginia [Mr. MORAN], the gentleman from Virginia [Mr. WOLF], and the gentleman from Virginia [Mr. DAVIS] all spoke eloquently of the benefits to Federal employees contained in this legislation. They explained how its provisions, many of which they authored, would have softened the impact of Federal Government downsizing. I thank them for their support yesterday and for their honest efforts on behalf of our hardworking Federal employees.

Mr. Speaker, I have discussed this matter with these distinguished Members and others, and I know how hard they all work to provide these important protections to our Federal employees who are, in fact, caught up in downsizing. I am not willing to allow any special interests to frustrate their work or to prevent this House from providing those protections to all Federal employees on a bipartisan basis. That is why I brought this version of the bill forward to the floor today, and I hope that again in this fashion that we can pass this in unanimous consent. I thank the gentleman from Virginia [Mr. MORAN], the ranking member of our subcommittee, for his leadership, and others.

Mr. MORAN. Mr. Speaker, further reserving the right to object, I want to thank the gentleman from Florida [Mr. MICA] for explaining the change that he has made from the bill that we brought up yesterday and that failed to get the two-thirds majority necessary.

I also particularly want to thank them for bringing the bill back today without that controversial provision which prevented us from being able to move it on to the Senate yesterday.

We have an opportunity today to enact legislation that will have a very positive impact upon the lives of our Nation's civil servants. As I said yesterday, this legislation is the culmination of the work of the Subcommittee on Civil Service over the past 6 months. It contains important provisions that provide needed benefits for Federal Employees. For example, the bill contains provisions, originally offered by the administration, that improve the agencies' management flexibility through a demonstration projects program and individual agencies can choose to participate in and determine what types of flexibilities enhance program performance.

The bill provides a number of provisions designed to help employees undergoing reductions in force. These provisions allow an employee to continue to participate in the government life insurance programs provided that they pay both the employer and employee contribution. It would allow an employee who loses their job due to a reduction in force to continue to participate in the Federal employee health benefits program for 18 months with the Federal share being paid. It also establishes a priority placement program in education assistance grants to help displaced Federal employees improve their competitiveness in the job market through greater education.

The provision with which a majority of Democrats disagree has been deleted from this draft. With section 201 removed, this legislation is supported by the gentlewoman from Illinois [Mrs. COLLINS], the ranking member; by the gentlewoman from Florida [Mrs. MEEK] and all the Federal employee unions. That should get the Democratic support that we were looking for, and I hope we can quickly pass this legislation and send it over to the Senate for their immediate consideration.

Further reserving the right to object, Mr. Speaker, I yield to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, we are back today to reconsider a bill to improve our Civil Service system and help Federal employees cope with downsizing. This is the same bill that we considered yesterday, except without section 201, a controversial provision to enhance performance management. This provision should have been

removed in the first place, but I appreciate the willingness of Civil Service Subcommittee Chairman MICA to take it out today. While I certainly believe that we should promote people based on merit and reward outstanding performers through enhanced performance management, we did not have time to work out a fair compromise to section 201. For that reason, it should not have been in the bill yesterday.

Throughout this Congress, I have pursued a legislative strategy to help Federal employees and agencies cope with downsizing. We have the responsibility to help our dedicated civil servants through this difficult time, and although I think we should go much further, this bill is a good start.

It provides important retraining provisions to equip Federal employees for private sector jobs, and it includes a soft-landings package to ease the pain of downsizing for Federal employees. When a long-time Federal employee faces a reduction-in-force, he or she needs help. Under this bill, separated Federal employees would be able to continue their health and life insurance benefits, receive job training and counseling geared toward the private sector, and receive money to return to school. Mr. Speaker, this is the least we can do.

I want to thank the other Members who have contributed so much to this legislation; JIM MORAN, TOM DAVIS, and FRANK WOLF, and I strongly urge its passage today.

□ 1815

Mr. MORAN. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Illinois, Mrs. CARDISS COLLINS, the ranking Democratic member of the committee, to give what may be her last speech before this body. It is fitting that it be on behalf of public servants.

Mrs. COLLINS of Illinois. Mr. Speaker, I certainly appreciate the hard work that has gone into creating this Omnibus Civil Service Reform Act. I want to thank the gentleman from Florida [Mr. MICA] for his willingness to help us get rid of section 201, which was very controversial, even though I know he wanted so badly to keep it in there. But he at least heard what we had to say. We talked with him on the floor, we talked with him on the telephone, we talked with him even in the picture-taking today. He assured me that he was going to work very hard at this.

I want to also thank the ranking member of the Subcommittee on Civil Service, Mr. MORAN, for the hard work that he has done. Since yesterday we have all been almost constantly in touch with each other. This is a fine piece of legislation. There are very good things here for civil service workers. I in the State of Illinois have a large number of civil service workers, as do all of us here.

I think this is a great piece of legislation. I commend everyone who worked on it, including all the staff members in our committees as well as other committees who have worked on this. I thank the gentleman very much for this wonderful legislation.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield?

Mr. MORAN. Further reserving the right to object, I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Speaker, I appreciate the gentleman yielding, albeit very briefly. I did want to follow up on one of the gentleman's comments regarding the gentlewoman from Illinois [Mrs. COLLINS] and her long service here in this institution and the tremendous contributions that she has made, not just on this legislation, but on important areas of airline safety, of sports equity, workers' rights, and humanitarian causes that have benefited people in our country and across the globe.

As the gentlewoman finishes her service here in the Congress, it is important for the record and for the history books to note that she is the longest serving woman of African-American descent to have served in this body, and done so in such a distinguished manner for so many years. I wanted to call our colleagues' special attention to her and to thank her on behalf of the people of this institution and our country. I thank you, Mrs. COLLINS. It has been an honor to serve with you.

Mrs. COLLINS of Illinois. Mr. Speaker, if the gentleman will continue to yield further, I must say how wonderful it has been to serve in this body since June 7, 1973. I have met so many wonderful people, all of you, in fact; and those here before, many of us got to know so very, very well. It has been a great experience.

I could not have done a better thing than to have the opportunity and the honor of serving the people of the 7th Congressional District of Illinois, and knowing all of you. Thank you very much.

Mr. MORAN. Mr. Speaker, further reserving the right to object, we certainly thank the ranking member, the distinguished gentlewoman from Illinois, for so many reasons, and for so much contribution to the work of this body. We thank the gentlewoman from Ohio [Ms. KAPTUR] for her very appropriate remarks.

Mr. Speaker, I yield to the gentlewoman from Florida [Mrs. MEEK] who presented such a spirited attack on section 201 yesterday.

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman for yielding to me. I am very pleased to say thank you to the ranking member of the subcommittee, and to say to the chairman of the subcommittee, I know am very pleased at the kind of negotiations that we were able to put together, that we could work together in a consensus type fashion and come up with a bill which all of us can support. I certainly support this bill as it is presently constituted. I think what we have here is perhaps a fairer approach to the reduction in force process.

Mr. Speaker, I want to compliment the committee for the soft landing kinds of initiatives which they have in the bill, and the many other strong things that will help Federal workers, particularly when we are reducing in force. Certainly we want to pay tribute to the many Federal workers to whom this may apply. We want everyone to be treated fairly, and that is what this Congress wants to do. I do not feel any pull for any special interest in this, but more or less the interests of the people involved. That has been my major interest all along, in all of my career work in public life.

Mr. Speaker, I want to say again, by removing this I give my full support, and I know that the 11,000 Federal workers in my district and the almost 2 million throughout the country will be grateful. I thank the gentleman very much.

Mr. MORAN. Mr. Speaker, we thank the gentlewoman from Florida.

Further reserving the right to object, Mr. Speaker, I yield to the distinguished gentleman from Maryland [Mr. HOYER]. I want to thank him in advance of when this gets through for using his considerable influence in getting it through the Senate side, after this gets through the House.

Mr. HOYER. Mr. Speaker, I want to thank the gentleman for his comments. I appreciate his continuing efforts. Mr. Speaker, I will use whatever little influence I might have to do just that.

I want to congratulate the gentleman from Florida [Mr. MICA], and the gentleman from Virginia [Mr. DAVIS]. The legislative process is a process in which we try to come together and reach agreement.

Yesterday, there were some who disagreed with section 201 and there were some who agreed with section 201. I want to say, as I said yesterday, I think there is merit in the premise underlying 201, and will look forward to working together with both gentlemen to come up with a provision which does in fact say that we are not going to close our eyes and slavishly follow last in-first out. That is not a rational system. Both gentlemen were speaking to that. I understand that. I made the point that I thought the disparities were greater than perhaps, or the benefits of the outstanding performance, were greater than were appropriate.

However, having said that, Mr. Speaker, this is in the best traditions of the legislative process, because all of us, I think to a person, I will be surprised if either this comes to a vote or there is any vote against it, because in point of fact, it was a consensus that the provisions in this bill were important provisions for us to extend to Federal employees, particularly at this time, where we are going to probably have involuntarily removed employees and where the soft landing and the other provisions provided in this bill are going to be important to them.

While I disagreed with that particular provision, Mr. Speaker, I made it clear I agreed with the overwhelming majority of the work product of the committee. I congratulate them for bringing it back. I think this is in the best traditions of bipartisan legislative process, and I look forward to having this legislation passed.

Yes, I would tell the gentleman from Virginia, I will work, starting tonight, to try to make that happen.

Mr. MORAN. Mr. Speaker, continuing to reserve my right to object, I thank the distinguished gentleman from Maryland, and I thank him for recognizing the merits of section 201, too. I do think that at some point we have to figure out an appropriate way to recognize a person's performance as an important criteria is determining who should get riffed in periods of downsizing. I do not believe that pure seniority should be the only governing factor in determining who gets riffed. The fact is that everyone is not equal. Everyone does not produce equal levels of effort. There ought to be some way to sufficiently recognize people's contribution to the performance of a program and their dedication to its mission.

Having said that, we have a bill that is of substantial benefit to Federal employees, particularly those who would be adversely affected by RIF's, by downsizing of the Federal Government, which we know is inevitable, and will inevitably continue for the next several years.

This provides important soft landing features, and enables them to get preference in being hired for other functions within the agencies, and extends their health and life insurance, gives them some educational assistance. It is the right thing to do. I urge all my colleagues to support it.

Mr. MICA. Mr. Speaker, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Florida.

Mr. MICA. Mr. Speaker, before the gentleman withdraws his objections, I just want to take one moment and recognize the chairman, the gentleman from Pennsylvania [Mr. CLINGER], and our ranking member, the gentlewoman from Illinois [Mrs. COLLINS], both of whom are retiring and have done yeoman's service.

Chairing this subcommittee has been like a ride at Disney World; it has had it ups and downs. I want to also thank the staff. They had 54 staffers that handled civil service issues. We have done it with seven. We have held a record number of hearings.

To the gentleman from Virginia [Mr. MORAN] to serve alongside him has been an honor and privilege to me, for us working together. Sometimes people see the conflict of this place and the heated discussion, and heaven knows, I have added to some of that. But I think today, when we have finished our last committee meeting the gentlewoman from Maryland [Mrs. MORELLA] came over and kissed and hugged the gentlewoman from Illinois [Mrs. COLLINS] and they both said how much they were going to miss each other, people do not see that or appreciate the relationship and camaraderie that goes on here and blossoms here.

I thank the gentleman, and I thank him for also lifting his objections to this.

Mr. DAVIS. Mr. Speaker, will the gentleman yield?

Mr. MORAN. Further reserving the right to object. I yield to the gentleman from Virginia.

Mr. DAVIS. Mr. Speaker, I thank the gentleman for yielding to me.

I am glad we are here where we are today, Mr. Speaker. Section 201, despite its controversy, is out of the bill now. We can accomplish some of the things that I think everybody agrees need to happen for Federal employees as we experience this downsizing over the next few years, the fact that some parts of the life insurance, health insurance payably by the Federal Government, will be continued during those downsizing times. There will be some job preference for Federal employees and future openings at the Federal level, training. These are things that need to be done.

We have to be sensitive. Federal workers have undergone some very, very difficult times in the last few years, and I think this is one measure which will be some good news at a time that has otherwise sent the wrong message, if we are to try to continue to bring the best and brightest to Washington to work in the Civil Service.

We still have a great Civil Service. I think this is bringing some appropriate recognition to them, and some tangible results as we go through some difficult times in the years ahead.

I want to thank the chairman, the gentleman from Florida, Mr. MICA, the ranking member and my friend, the gentleman from northern Virginia, JIM MORAN, the gentleman from Virginia, FRANK WOLF, who helped introduce some of these soft landing provisions, the gentlewoman from Maryland, Mrs. MORELLA, and the gentlewoman from the District of Columbia, Ms. NORTON, and others who have worked so hard.

I thank the gentlewoman from Illinois, Mrs. COLLINS, her for efforts in bringing this forward after yesterday's defeat under suspension. I think we are about at the time where we can move it through this body, send it to the other body, and I hope we can get a favorable result in the waning hours of this Congress. I thank the gentleman for yielding.

Mr. MORAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Omnibus Civil Service Reform Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—DEMONSTRATION PROJECTS

SEC. 101. DEMONSTRATION PROJECTS.

(a) DEFINITIONS.—Paragraph (1) of section 4701(a) of title 5, United States Code, is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) PRE-IMPLEMENTATION PROCEDURES.—Subsection (b) of section 4703 of title 5, United States Code, is amended to read as follows:

''(b) Before an agency or the Office may conduct or enter into any agreement or contract to conduct a demonstration project, the Office—

''(1) shall develop or approve a plan for such project which identifies—

''(A) the purposes of the project;

''(B) the methodology;

''(C) the duration; and

''(D) the methodology and criteria for evaluation;

''(2) shall publish the plan in the Federal Register;

''(3) may solicit comments from the public and interested parties in such manner as the Office considers appropriate;

''(4) shall obtain approval from each agency involved of the final version of the plan; and

''(5) shall provide notification of the proposed project, at least 30 days in advance of the date any project proposed under this section is to take effect—

''(A) to employees who are likely to be affected by the project; and

''(B) to each House of the Congress.''.

(c) NONWAIVABLE PROVISIONS.—Section 4703(c) of title 5, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) any provision of subchapter V of chapter 63 or subpart G of this title;''; and

(2) by striking paragraph (3) and inserting the following:

''(3) any provision of chapter 15 or subchapter II or III of chapter 73 of this title;''.

(d) LIMITATIONS.—Subsection (d) of section 4703 of title 5, United States Code, is amended to read as follows:

''(d)(1) Each demonstration project shall terminate before the end of the 5-year period beginning on the date on which the project takes effect, except that the project may continue for a maximum of 2 years beyond the date to the extent necessary to validate the results of the project.

''(2)(A) Not more than 15 active demonstration projects may be in effect at any time, and of the projects in effect at any time, not more than 5 may involve 5,000 or more individuals each.

''(B) Individuals in a control group necessary to validate the results of a project shall not, for purposes of any determination under subparagraph (A), be considered to be involved in such project.''.

(e) CONDITION RELATING TO BARGAINING AGREEMENTS.—Paragraph (1) of section 4703(f) of title 5, United States Code, is amended by striking ''(as defined in section 7103(8) of this title)'' and inserting ''(as defined in section 7103(8), excluding any agreements entered into or renewed after the date of the enactment of the Omnibus Civil Service Reform Act of 1996)''.

(f) EVALUATIONS.—Subsection (h) of section 4703 of title 5, United States Code, is amended by adding at the end the following: ''The Office may, with respect to a demonstration project conducted by another agency, require that the preceding sentence be carried out by such other agency.''.

(g) PROVISIONS FOR TERMINATION OF PROJECT OR MAKING IT PERMANENT.—Section 4703 of title 5, United States Code, is amended—

(1) in subsection (i) by inserting ''by the Office'' after ''undertaken''; and

(2) by adding at the end the following:

''(j)(1) If the Office determines that termination of a demonstration project (whether under subsection (e) or otherwise) would result in the inequitable treatment of employees who participated in the project, the Office shall take such corrective action as is within its authority. If the Office determines that legislation is necessary to correct an inequity, it shall submit an appropriate legislative proposal to both Houses of Congress.

''(2) If the Office determines that a demonstration project should be made permanent, it shall submit an appropriate legislative proposal to both Houses of Congress.''.

TITLE II—SIMPLIFYING APPEALS

SEC. 201. ELIMINATION OF MIXED-CASE PROCEDURES.

(a) IN GENERAL.—Section 7702, paragraph (2) of section 7703(b), and the last sentence of section 7121(d) of title 5, United States Code, are repealed.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) The item relating to section 7702 in the table of sections at the beginning of chapter 77 of title 5, United States Code, is repealed.

(2) Section 7701(e)(1) of title 5, United States Code, is amended—

(A) by striking ''(e)(1) Except as provided in section 7702 of this title, any'' and inserting ''(e) Any'';

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(C) by striking ''subparagraph (A) of this paragraph.'' and inserting ''paragraph (1).''.

(3) Section 753(e)(1) of title 31, United States Code, is amended by striking ''sections 7701 and 7702'' and inserting ''section 7701''.

(4) Section 7703(c) of title 5, United States Code, is amended by striking the semicolon at the end of paragraph (3) and all that follows through ''court.'' and inserting a period.

SEC. 202. APPEAL TO MERIT SYSTEMS PROTECTION BOARD AS EXCLUSIVE ADMINISTRATIVE REMEDY.

(a) IN GENERAL.—Section 7701(b)(1) of title 5, United States Code, is amended by striking ''(b)(1)'' and inserting ''(b)(1)(A)'' and by adding at the end the following:

''(B) Notwithstanding any other provision of law, rule, or regulation, an appeal under this section shall be the exclusive administrative remedy for any action by an employee or applicant who—

''(i) has been affected by an action which the employee or applicant may appeal to the Merit Systems Protection Board; and

''(ii) alleges that a basis for the action was discrimination prohibited by—

''(I) section 717 of the Civil Rights Act of 1964;

''(II) section 6(d) of the Fair Labor Standards Act of 1938;

''(III) section 501 of the Rehabilitation Act of 1973;

''(IV) sections 12 and 15 of the Age Discrimination in Employment Act of 1967; or

''(V) any rule, regulation, or policy directive prescribed under any provision of law described in subclauses (I) through (IV).

''(C) In lieu of filing an appeal under this section, an employee or applicant described in paragraph (B) may file a civil action under—

''(i) section 717(c) of the Civil Rights Act of 1964 or section 15(c) of the Age Discrimination in Employment Act of 1967, as applicable, within 90 days after receipt of notice of final action taken by the agency on a complaint of discrimination under a provision of law described in subclause (I), (III), or (IV) of subparagraph (B)(ii) or any rule, regulation, or policy directive prescribed under any such provision of law; or

''(ii) section 16(b) of the Fair Labor Standards Act of 1938 within 2 years (or, if the violation is willful, within 3 years) after the date of an alleged violation of section 6(d) of the Fair Labor Standards Act of 1938 or any rule, regulation, or policy directive prescribed thereunder.''.

(b) PETITION FOR BOARD REVIEW.—(1) Section 7701(e)(1)(A) of title 5, United States Code, is amended by striking ''a party to the appeal or the Director'' and inserting ''a party to the appeal, the Director, or the Equal Employment Opportunity Commission''.

(2) Subsection (e) of section 7701 of title 5, United States Code, is amended by adding at the end the following:

''(3) The Equal Employment Opportunity Commission may petition the Board for review under paragraph (1) only if the Commission is of the opinion that the decision is erroneous and will have a substantial impact on any equal employment opportunity law, rule, or regulation under the jurisdiction of the Commission.''.

(3) Subsection (d) of section 7703 of title 5, United States Code, is amended to read as follows:

''(d)(1) The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Director determines, in his discretion, that the Board erred in interpreting a civil service law, rule, or regulation affecting personnel management and that the Board's decision will have a substantial impact on a civil service law, rule, regulation, or policy directive.

''(2) The Equal Employment Opportunity Commission may obtain review of any final order or decision of the Board by filing a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Commission determines, in its discretion, that the Board erred in interpreting

an equal employment opportunity law and that the Board's decision will have a substantial impact on an equal employment opportunity law, rule, regulation, or policy directive.

''(3) If the Director or the Commission did not intervene in a matter before the Board, the Director or the Commission may not petition for review of a Board decision under this section unless the Director or the Commission first petitions the Board for reconsideration of its decision, and such petition is denied.

''(4) In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the Court of Appeals. The granting of the petition for review shall be at the discretion of the Court of Appeals, except that it may not deny a petition for review solely because it disagrees with the determination of the Director or the Commission that the Board's decision will have a substantial impact on a law, rule, regulation, or policy directive within their jurisdiction. The Court of Appeals shall require payment by the Director or the Commission, as appropriate, of reasonable attorney fees incurred by the other parties if, after rendering a decision on the merits of the petition, the court determines that the Board's decision would not have had a substantial impact on a law, rule, regulation, or policy directive within their jurisdiction.''.

SEC. 203. AGENCY FLEXIBILITY AND ENCOURAGING THE USE OF ALTERNATIVE DISPUTE RESOLUTION TECHNIQUES.

(a) IN GENERAL.—Chapter 77 of title 5, United States Code, is amended by adding at the end the following:

''§ 7704. Alternative dispute resolution techniques

''Notwithstanding any other provision of law, each agency (including the United States Postal Service, the Postal Rate Commission, and the Tennessee Valley Authority) shall have the authority to develop an internal procedure under which its employees may file with the agency a complaint of discrimination by the agency under the laws described in subclauses (I) through (V) of section 7701(b)(1)(B)(ii), or any other matter appealable to the Merit Systems Protection Board or the Federal Labor Relations Authority. Agencies are encouraged to use alternative dispute resolution techniques in order to resolve such complaints. An agency may require its employees to exhaust such internal procedure for a period not to exceed 90 days before seeking external administrative or judicial review under this chapter. To the extent that a private entity may do so, an agency may require employees to submit to alternative dispute resolution techniques in lieu of other administrative or judicial review.''.

(b) TASK FORCE.—In order to encourage the use of alternative dispute resolution techniques in resolving personnel-related disputes within the Federal Government, the Chairman of the Merit Systems Protection Board shall, in consultation with the Chairman of the Equal Employment Opportunity Commission, the Chairman of the Federal Labor Relations Authority, the Director of the Office of Personnel Management, the Special Counsel, and the Director of the Federal Mediation and Conciliation Service, organize and chair a task force—

(1) to study and evaluate the use of alternative dispute resolution techniques in resolving Federal personnel disputes;

(2) to facilitate the exchange of information between agencies;

(3) to examine and evaluate alternative dispute resolution techniques used in the private sector for possible application to Federal personnel disputes; and

(4) to issue a report to Congress no later than 18 months after the date of enactment of this Act on the use of alternative dispute resolution techniques in personnel disputes by Federal agencies, including Federal adjudicatory agencies.

The Merit Systems Protection Board shall provide administrative support to the task force.

SEC. 204. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this section, this title and the amendments made by this title shall take effect 6 months after the date of the enactment of this Act.

(b) TASK FORCE.—Subsection (b) of section 203 shall take effect on the date of the enactment of this Act.

(c) SAVINGS PROVISION.—Matters or proceedings pending as of, and continuing after, the effective date of this title shall continue as if this title had not been enacted.

TITLE III—PERFORMANCE MANAGEMENT ENHANCEMENT

SEC. 301. INCREASED WEIGHT GIVEN TO PERFORMANCE FOR ORDER-OF-RETENTION PURPOSES IN A REDUCTION IN FORCE.

(a) IN GENERAL.—Section 3502 of title 5, United States Code, is amended—

(1) in subsection (a)(4) by striking ''ratings.'' and inserting ''ratings, in conformance with the requirements of subsection (g).''; and

(2) by adding at the end the following:

''(g)(1) The regulations prescribed to carry out subsection (a)(4) shall be the regulations in effect, as of January 1, 1996, under section 351.504 of title 5 of the Code of Federal Regulations, except as otherwise provided in this subsection.

''(2) For purposes of this subsection—

''(A) subsections (b)(4) and (e) of such section 351.504 shall be disregarded;

''(B) subsection (d) of such section 351.504 shall be considered to read as follows:

'''(d)(1) The additional service credit an employee receives for performance under this subpart shall be expressed in additional years of service and shall consist of the sum of the employee's 3 most recent (actual and/or assumed) annual performance ratings received during the 4-year period prior to the date of issuance of reduction-in-force notices or the 4-year period prior to the agency-established cutoff date (as appropriate), computed in accordance with paragraph (2) or (3) (as appropriate).

'''(2) Except as provided in paragraph (3), an employee shall receive—

'''(A) 5 additional years of service for each performance rating of fully successful (Level 3) or equivalent;

'''(B) 7 additional years of service for each performance rating of exceeds fully successful (Level 4) or equivalent; and

'''(C) 10 additional years of service for each performance rating of outstanding (Level 5) or equivalent.

'''(3)(A) If the employing agency uses a rating system having only 1 rating to denote performance which is fully successful or better, then an employee under such system shall receive 5 additional years of service for each such rating.

'''(B) If the employing agency uses a rating system having only 2 ratings to denote performance which is fully successful or better, then an employee under such system shall receive—

'''(i) 5 additional years of service for each performance rating at the lower of those 2 ratings; and

'''(ii) 7 additional years of service for each performance rating at the higher of those 2 ratings.

'''(C) If the employing agency uses a rating system having 3 or more ratings to denote performance which is fully successful or better, then an employee under such system shall receive—

'''(i) 5 additional years of service for each performance rating at the lowest of those 3 or more ratings;

'''(ii) 7 additional years of service for each performance rating at the next rating above the rating referred to in clause (i); and

'''(iii) 10 additional years of service for each performance rating above the rating referred to in clause (ii).

'''(D) For purposes of this paragraph, a rating shall not be considered to denote performance which is fully successful or better unless, in order to receive such rating, such performance must satisfy all requirements for a fully successful rating (Level 3) or equivalent, as established under part 430 of this chapter (as in effect as of January 1, 1996).'; and

''(C) subsection (c) of such section shall be considered to read as follows:

'''(c)(1) Service credit for employees who do not have 3 actual annual performance ratings of record received during the 4-year period prior to the date of issuance of reduction-in-force notices, or the 4-year period prior to the agency-established cutoff date for ratings permitted in subsection (b)(2) of this section, shall be determined in accordance with paragraph (2).

'''(2) An employee who has not received 1 or more of the 3 annual performance ratings of record required under this section shall—

'''(A) receive credit for performance on the basis of the rating or ratings actually received (if any); and

'''(B) for each performance rating not actually received, be given credit for 5 additional years of service.'.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to reductions in force taking effect on or after October 1, 1999.

SEC. 302. NO APPEAL OF DENIAL OF PERIODIC STEP-INCREASES.

(a) IN GENERAL.—Section 5335(c) of title 5, United States Code, is amended—

(1) by striking the second sentence;

(2) in the third sentence by striking ''or appeal''; and

(3) in the last sentence by striking ''and the entitlement of the employee to appeal to the Board do not apply'' and inserting ''does not apply''.

(b) PERFORMANCE RATINGS.—Section 5335 of title 5, United States Code, as amended by subsection (a), is further amended—

(1) in subsections (a)(B) and (c) by striking ''of an acceptable level of competence'' and inserting ''at least fully successful'';

(2) in the last sentence of subsection (c) by striking ''acceptable level of competence'' and inserting ''fully successful work performance''; and

(3) by adding at the end the following:

''(g) For purposes of this section, the term 'fully successful' has a meaning similar to that given under section 351.504(d)(3)(D) of title 5 of the Code of Federal Regulations (as deemed to be amended by section 301(a)(2) of the Omnibus Civil Service Reform Act of 1996).''.

SEC. 303. PERFORMANCE APPRAISALS.

(a) IN GENERAL.—Section 4302 of title 5, United States Code, is amended—

(1) in subsection (b) by striking paragraphs (5) and (6) and inserting the following:

''(5) assisting employees in improving unacceptable performance, except in circumstances described in subsection (c); and

''(6) reassigning, reducing in grade, removing, or taking other appropriate action against employees whose performance is unacceptable.''; and

(2) by adding at the end the following:

''(c) Upon notification of unacceptable performance, an employee shall be afforded an opportunity to demonstrate acceptable performance before a reduction in grade or removal may be proposed under section 4303 based on such performance, except that an employee so afforded such an opportunity shall not be afforded any further opportunity to demonstrate acceptable performance if the employee's performance again is determined to be at an unacceptable level.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by this section shall not apply in the case of any proposed action as to which the employee receives advance written notice, in accordance with section 4303(b)(1)(A) of title 5, United States Code, before the effective date of this section.

SEC. 304. AMENDMENTS TO INCENTIVE AWARDS AUTHORITY.

Chapter 45 of title 5, United States Code, is amended—

(1) by amending section 4501 to read as follows:

''§ 4501. Definitions

''For the purpose of this subchapter—

''(1) the term 'agency' means—

''(A) an Executive agency;

''(B) the Library of Congress;

''(C) the Office of the Architect of the Capitol;

''(D) the Botanic Garden;

''(E) the Government Printing Office; and

''(F) the United States Sentencing Commission;

but does not include—

''(i) the Tennessee Valley Authority; or

''(ii) the Central Bank for Cooperatives;

''(2) the term 'employee' means an employee as defined by section 2105; and

''(3) the term 'Government' means the Government of the United States.''; and

(2) by amending section 4503 to read as follows:

''§ 4503. Agency awards

''(a) The head of an agency may pay a cash award to, and incur necessary expense for the honorary recognition of, an employee who—

''(1) by his suggestion, invention, superior accomplishment, sustained superior performance, or other personal effort contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

''(2) performs a special act or service in the public interest in connection with or related to his official employment.

''(b)(1) If the criteria under paragraph (1) or (2) of subsection (a) are met on the basis of the suggestion, invention, superior accomplishment, act, service, or other meritorious effort of a group of employees collectively, and if the circumstances so warrant (such as by reason of the infeasibility of determining the relative role or contribution assignable to each employee separately), authority under subsection (a) may be exercised—

''(A) based on the collective efforts of the group; and

''(B) with respect to each member of such group.

''(2) The amount awarded to each member of a group under this subsection—

''(A) shall be the same for all members of such group; and

''(B) may not exceed the maximum cash award allowable under subsection (a) or (b) of section 4502, as applicable.''.

SEC. 305. DUE PROCESS RIGHTS OF MANAGERS UNDER NEGOTIATED GRIEVANCE PROCEDURES.

(a) IN GENERAL.—Paragraph (2) of section 7121(b) of title 5, United States Code, is amended to read as follows:

''(2) The provisions of a negotiated grievance procedure providing for binding arbitration in accordance with paragraph (1)(C)(iii) shall, if or to the extent that an alleged prohibited personnel practice is involved, allow the arbitrator to order a stay of any personnel action in a manner similar to the manner described in section 1221(c) with respect to the Merit Systems Protection Board.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)—

(1) shall take effect on the date of the enactment of this Act; and

(2) shall apply with respect to orders issued on or after the date of the enactment of this Act, notwithstanding the provisions of any collective bargaining agreement.

SEC. 306. COLLECTION AND REPORTING OF TRAINING INFORMATION.

(a) TRAINING WITHIN GOVERNMENT.—The Office of Personnel Management shall collect information concerning training programs, plans, and methods utilized by agencies of the Government and submit a report to the Congress on this activity on an annual basis.

(b) TRAINING OUTSIDE OF GOVERNMENT.—The Office of Personnel Management, to the extent it considers appropriate in the public interest, may collect information concerning training programs, plans, and methods utilized outside the Government. The Office, on request, may make such information available to an agency and to Congress.

TITLE IV—ENHANCEMENT OF THRIFT SAVINGS PLAN AND CERTAIN OTHER BENEFITS

Subtitle A—Additional Investment Funds for the Thrift Savings Plan

SEC. 401. SHORT TITLE.

This subtitle may be cited as the ''Thrift Savings Investment Funds Act of 1996''.

SEC. 402. ADDITIONAL INVESTMENT FUNDS FOR THE THRIFT SAVINGS PLAN.

Section 8438 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively;

(B) by inserting after paragraph (4) the following new paragraph:

''(5) the term 'International Stock Index Investment Fund' means the International Stock Index Investment Fund established under subsection (b)(1)(E);'';

(C) in paragraph (8) (as redesignated by subparagraph (A) of this paragraph) by striking out ''and'' at the end thereof;

(D) in paragraph (9) (as redesignated by subparagraph (A) of this paragraph)—

(i) by striking out ''paragraph (7)(D)'' in each place it appears and inserting in each such place ''paragraph (8)(D)''; and

(ii) by striking out the period and inserting in lieu thereof a semicolon and ''and''; and

(E) by adding at the end thereof the following new paragraph:

''(10) the term 'Small Capitalization Stock Index Investment Fund' means the Small Capitalization Stock Index Investment Fund established under subsection (b)(1)(D).''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B) by striking out ''and'' at the end thereof;

(ii) in subparagraph (C) by striking out the period and inserting in lieu thereof a semicolon; and

(iii) by adding at the end thereof the following new subparagraphs:

''(D) a Small Capitalization Stock Index Investment Fund as provided in paragraph (3); and

''(E) an International Stock Index Investment Fund as provided in paragraph (4).''; and

(B) by adding at the end thereof the following new paragraphs:

''(3)(A) The Board shall select an index which is a commonly recognized index comprised of common stock the aggregate market value of which represents the United States equity markets excluding the common stocks included in the Common Stock Index Investment Fund.

''(B) The Small Capitalization Stock Index Investment Fund shall be invested in a portfolio designed to replicate the performance of the index in subparagraph (A). The portfolio shall be designed such that, to the extent practicable, the percentage of the Small Capitalization Stock Index Investment Fund that is invested in each stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stocks included in such index.

''(4)(A) The Board shall select an index which is a commonly recognized index comprised of stock the aggregate market value of which is a reasonably complete representation of the international equity markets excluding the United States equity markets.

''(B) The International Stock Index Investment Fund shall be invested in a portfolio designed to replicate the performance of the index in subparagraph (A). The portfolio shall be designed such that, to the extent practicable, the percentage of the International Stock Index Investment Fund that is invested in each stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stocks included in such index.''.

SEC. 403. ACKNOWLEDGEMENT OF INVESTMENT RISK.

Section 8439(d) of title 5, United States Code, is amended by striking out ''Each employee, Member, former employee, or former Member who elects to invest in the Common Stock Index Investment Fund or the Fixed Income Investment Fund described in paragraphs (1) and (3),'' and inserting in lieu thereof ''Each employee, Member, former employee, or former Member who elects to invest in the Common Stock Index Investment Fund, the Fixed Income Investment Fund, the International Stock Index Investment Fund, or the Small Capitalization Stock Index Investment Fund, defined in paragraphs (1), (3), (5), and (10),''.

SEC. 404. EFFECTIVE DATE.

This subtitle shall take effect on the date of enactment of this Act, and the Funds established under this subtitle shall be offered for investment at the earliest practicable election period (described in section 8432(b) of title 5, United States Code) as determined by the Executive Director in regulations.

Subtitle B—Thrift Savings Account Liquidity

SEC. 411. SHORT TITLE.

This subtitle may be cited as the ''Thrift Savings Plan Act of 1996''.

SEC. 412. NOTICE TO SPOUSES FOR IN-SERVICE WITHDRAWALS; DE MINIMUS ACCOUNTS; CIVIL SERVICE RETIREMENT SYSTEM PARTICIPANTS.

Section 8351(b) of title 5, United States Code, is amended—

(1) in paragraph (5)—

(A) in subparagraph (B)—

(i) by striking out ''An election, change of election, or modification (relating to the commencement date of a deferred annuity)'' and inserting in lieu thereof ''An election or change of election'';

(ii) by inserting ''or withdrawal'' after ''and a loan'';

(iii) by inserting ''and (h)'' after ''8433(g)'';

(iv) by striking out ''the election, change of election, or modification'' and inserting in lieu thereof ''the election or change of election''; and

(v) by inserting ''or withdrawal'' after ''for such loan''; and

(B) in subparagraph (D)—

(i) by inserting ''or withdrawals'' after ''of loans''; and

(ii) by inserting ''or (h)'' after ''8433(g)''; and

(2) in paragraph (6)—

(A) by striking out ''$3,500 or less'' and inserting in lieu thereof ''less than an amount that the Executive Director prescribes by regulation''; and

(B) by striking out ''unless the employee or Member elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under subsection (b)''.

SEC. 413. IN-SERVICE WITHDRAWALS; WITHDRAWAL ELECTIONS, FEDERAL EMPLOYEES RETIREMENT SYSTEM PARTICIPANTS.

(a) IN GENERAL.—Section 8433 of title 5, United States Code, is amended—

(1) by striking out subsections (b) and (c) and inserting in lieu thereof the following:

''(b) Subject to section 8435 of this title, any employee or Member who separates from Government employment is entitled and may elect to withdraw from the Thrift Savings Fund the balance of the employee's or Member's account as—

''(1) an annuity;

''(2) a single payment;

''(3) 2 or more substantially equal payments to be made not less frequently than annually; or

''(4) any combination of payments as provided under paragraphs (1) through (3) as the Executive Director may prescribe by regulation.

''(c)(1) In addition to the right provided under subsection (b) to withdraw the balance of the account, an employee or Member who separates from Government service and who has not made a withdrawal under subsection (h)(1)(A) may make one withdrawal of any amount as a single payment in accordance with subsection (b)(2) from the employee's or Member's account.

''(2) An employee or Member may request that the amount withdrawn from the Thrift Savings Fund in accordance with subsection (b)(2) be transferred to an eligible retirement plan.

''(3) The Executive Director shall make each transfer elected under paragraph (2) directly to an eligible retirement plan or plans (as defined in section 402(c)(8) of the Internal Revenue Code of 1986) identified by the employee, Member, former employee, or former Member for whom the transfer is made.

''(4) A transfer may not be made for an employee, Member, former employee, or former Member under paragraph (2) until the Executive Director receives from that individual the information required by the Executive Director specifically to identify the eligible retirement plan or plans to which the transfer is to be made.'';

(2) in subsection (d)—

(A) in paragraph (1) by striking out ''Subject to paragraph (3)(A)'' and inserting in lieu thereof ''Subject to paragraph (3)'';

(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) in paragraph (2) (as redesignated under subparagraph (B) of this paragraph)—

(i) in subparagraph (A) by striking out ''(A)''; and

(ii) by striking out subparagraph (B);

(3) in subsection (f)(1)—

(A) by striking out ''$3,500 or less'' and inserting in lieu thereof ''less than an amount that the Executive Director prescribes by regulation; and

(B) by striking out ''unless the employee or Member elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under subsection (b), or'' and inserting a comma;

(4) in subsection (f)(2)—

(A) by striking out ''February 1'' and inserting in lieu thereof ''April 1'';

(B) in subparagraph (A)—

(i) by striking out ''65'' and inserting in lieu thereof ''70½''; and

(ii) by inserting ''or'' after the semicolon;

(C) by striking out subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B);

(5) in subsection (g)—

(A) in paragraph (1) by striking out ''after December 31, 1987, and''; and

(B) by striking out paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(6) by adding after subsection (g) the following new subsection:

''(h)(1) An employee or Member may apply, before separation, to the Board for permission to withdraw an amount from the employee's or Member's account based upon—

''(A) the employee or Member having attained age 59½; or

''(B) financial hardship.

''(2) A withdrawal under paragraph (1)(A) shall be available to each eligible participant one time only.

''(3) A withdrawal under paragraph (1)(B) shall be available only for an amount not exceeding the value of that portion of such account which is attributable to contributions made by the employee or Member under section 8432(a) of this title.

''(4) Withdrawals under paragraph (1) shall be subject to such other conditions as the Executive Director may prescribe by regulation.

''(5) A withdrawal may not be made under this subsection unless the requirements of section 8435(e) of this title are satisfied.''.

(b) INVALIDITY OF CERTAIN PRIOR ELECTIONS.—Any election made under section 8433(b)(2) of title 5, United States Code (as in effect before the effective date of this title), with respect to an annuity which has not commenced before the implementation date of this title as provided by regulation by the Executive Director in accordance with section 407, shall be invalid.

SEC. 414. SURVIVOR ANNUITIES FOR FORMER SPOUSES; NOTICE TO FEDERAL EMPLOYEES RETIREMENT SYSTEM SPOUSES FOR IN-SERVICE WITHDRAWALS.

Section 8435 of title 5, United States Code, is amended—

(1) in subsection (a)(1)(A)—

(A) by striking out ''may make an election under subsection (b)(3) or (b)(4) of section 8433 of this title or change an election previously made under subsection (b)(1) or (b)(2) of such section'' and inserting in lien thereof ''may withdraw all or part of a Thrift Savings Fund account under subsection (b) (2), (3), or (4) of section 8433 of this title or change a withdrawal election''; and

(B) by adding at the end thereof ''A married employee or Member (or former employee or Member) may make a withdrawal from a Thrift Savings Fund account under subsection (c)(1) of section 8433 of this title only if the employee or Member (or former employee or Member) satisfies the requirements of subparagraph (B).'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking out ''An election, change of election, or modification of the commencement date of a deferred annuity'' and inserting in lieu thereof ''An election or change of election''; and

(ii) by striking out ''modification, or transfer'' and inserting in lien thereof ''or transfer''; and

(B) in paragraph (2) in the matter following subparagraph (B)(ii) by striking out ''modification,'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by inserting ''or withdrawal'' after ''A loan'';

(II) by inserting ''and (h)'' after ''8433(g)''; and

(III) by inserting ''or withdrawal'' after ''such loan'';

(ii) in subparagraph (B) by inserting ''or withdrawal'' after ''loan''; and

(iii) in subparagraph (C)—

(I) by inserting ''or withdrawal'' after ''to a loan''; and

(II) by inserting ''or withdrawal'' after ''for such loan''; and

(B) in paragraph (2)—

(i) by inserting ''or withdrawal'' after ''loan''; and

(ii) by inserting ''and (h)'' after ''8344(g)''; and

(4) in subsection (g)—

(A) by inserting ''or withdrawals'' after ''loans''; and

(B) by inserting ''and (h)'' after ''8344(g)''.

SEC. 415. DE MINIMUS ACCOUNTS RELATING TO THE JUDICIARY.

(a) JUSTICES AND JUDGES.—Section 8440a(b)(7) of title 5, United States Code, is amended—

(1) by striking out ''$3,500 or less'' and inserting in lieu thereof ''less than an amount that the Executive Director prescribes by regulation''; and

(2) by striking out ''unless the justice or judge elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under section 8433(b)''.

(b) BANKRUPTCY JUDGES AND MAGISTRATES.—Section 8440b(b) of title 5, United States Code, is amended—

(1) in paragraph (7) in the first sentence by inserting ''of the distribution'' after ''equal to the amount''; and

(2) in paragraph (8)—

(A) by striking out ''$3,500 or less'' and inserting in lieu thereof ''less than an amount that the Executive Director prescribes by regulation''; and

(B) by striking out ''unless the bankruptcy judge or magistrate elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under subsection (b)''.

(c) FEDERAL CLAIMS JUDGES.—Section 8440c(b) of title 5, United States Code, is amended—

(1) in paragraph (7) in the first sentence by inserting ''of the distribution'' after ''equal to the amount''; and

(2) in paragraph (8)—

(A) by striking out ''$3,500 or less'' and inserting in lieu thereof ''less than an amount that the Executive Director prescribes by regulation''; and

(B) by striking out ''unless the judge elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under section 8433(b)''.

SEC. 416. DEFINITION OF BASIC PAY.

(a) IN GENERAL.—(1) Section 8401(4) of title 5, United States Code, is amended by striking out ''except as provided in subchapter III of this chapter,''.

(2) Section 8431 of title 5, United States Code, is repealed.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) The table of sections for chapter 84 of title 5, United States Code, is amended by striking out the item relating to section 8431.

(2) Section 5545a(h)(2)(A) of title 5, United States Code, is amended by striking out ''8431,''.

(3) Section 615(f) of the Treasury, Postal Service, and General Government Appropriations Act, 1996 (Public Law 104–52; 109 Stat. 500; 5 U.S.C. 5343 note) is amended by striking out ''section 8431 of title 5, United States Code,''.

SEC. 417. ELIGIBLE ROLLOVER DISTRIBUTIONS.

Section 8432 of title 5, United States Code, is amended by adding at the end the following:

''(j)(1) For the purpose of this subsection—

''(A) the term 'eligible rollover distribution' has the meaning given such term by section 402(c)(4) of the Internal Revenue Code of 1986; and

''(B) the term 'qualified trust' has the meaning given such term by section 402(c)(8) of the Internal Revenue Code of 1986.

''(2) An employee or Member may contribute to the Thrift Savings Fund an eligible rollover distribution from a qualified trust. A contribution made under this subsection shall be made in the form described in section 401(a)(31) of the Internal Revenue Code of 1986. In the case of an eligible rollover distribution, the maximum amount transferred to the Thrift Savings Fund shall not exceed the amount which would otherwise have been included in the employee's or Member's gross income for Federal income tax purposes.

''(3) The Executive Director shall prescribe regulations to carry out this subsection.''.

SEC. 418. EFFECTIVE DATE.

This subtitle shall take effect on the date of the enactment of this Act and withdrawals and elections as provided under the amendments made by this subtitle shall be made at the earliest practicable date as determined by the Executive Director in regulations.

Subtitle C—Other Provisions Relating to the Thrift Savings Plan

SEC. 421. PERCENTAGE LIMITATIONS ON CONTRIBUTIONS.

(a) AMENDMENTS RELATING TO FERS.—

(1) IN GENERAL.—Subsection (a) of section 8432 of title 5, United States Code, is amended by striking ''10 percent of''.

(2) JUSTICES AND JUDGES.—Subsection (b) of section 8440a of title 5, United States Code, is amended—

(A) by striking paragraph (2) and by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively; and

(B) in paragraph (6) (as so redesignated by subparagraph (A)) by striking ''paragraphs (4) and (5)'' and inserting ''paragraphs (3) and (4)''.

(3) BANKRUPTCY JUDGES AND MAGISTRATES.—Subsection (b) of section 8440b of title 5, United States Code, is amended—

(A) by striking paragraph (2) and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively;

(B) in paragraph (4) (as so redesignated by subparagraph (A)) by striking ''paragraph (4)(A), (B), or (C)'' and inserting ''paragraph (3)(A), (B), or (C)''; and

(C) in paragraph (7) (as so redesignated by subparagraph (A)) by striking ''Notwithstanding paragraph (4),'' and inserting ''Notwithstanding paragraph (3),''.

(4) COURT OF FEDERAL CLAIMS JUDGES.—Subsection (b) of section 8440c of title 5, United States Code, is amended—

(A) by striking paragraph (2) and by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively;

(B) in paragraph (4) (as so redesignated by subparagraph (A)) by striking ''paragraph (4)(A) or (B)'' and inserting ''paragraph (3)(A) or (B)''; and

(C) in paragraph (7) (as so redesignated by subparagraph (A)) by striking ''Notwithstanding paragraph (4),'' and inserting ''Notwithstanding paragraph (3),''.

(5) JUDGES OF THE UNITED STATES COURT OF VETERANS APPEALS.—Paragraph (2) of section 8440d(b) of title 5, United States Code, is amended to read as follows:

''(2) For purposes of contributions made to the Thrift Savings Fund, basic pay does not include any retired pay paid pursuant to section 7296 of title 38.''.

(b) AMENDMENTS RELATING TO CSRS.—Paragraph (2) of section 8351(b) of title 5, United States Code, is amended by striking ''5 percent of''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect 6 months after the date of the enactment of this Act or such earlier date as the Executive Director may by regulation prescribe.

(2) COORDINATION WITH ELECTION PERIODS.—The Executive Director shall by regulation determine the first election period in which elections may be made consistent with the amendments made by this section.

(3) DEFINITIONS.—For purposes of this subsection—

(A) the term ''election period'' means a period afforded under section 8432(b) of title 5, United States Code; and

(B) the term ''Executive Director'' has the meaning given such term by section 8401(13) of title 5, United States Code.

SEC. 422. LOANS UNDER THE THRIFT SAVINGS PLAN FOR FURLOUGHED EMPLOYEES.

Section 8433(g) of title 5, United States Code, is amended by adding at the end the following:

''(6) An employee who has been furloughed due to a lapse in appropriations may not be denied a loan under this subsection solely because such employee is not in a pay status.''.

SEC. 423. IMMEDIATE PARTICIPATION IN THE THRIFT SAVINGS PLAN.

(a) ELIMINATION OF CERTAIN WAITING PERIODS FOR PURPOSES OF EMPLOYEE CONTRIBUTIONS.—Paragraph (4) of section 8432(b) of title 5, United States Code, is amended to read as follows:

''(4) The Executive Director shall prescribe such regulations as may be necessary to carry out the following:

''(A) Notwithstanding subparagraph (A) of paragraph (2), an employee or Member described in such subparagraph shall be afforded a reasonable opportunity to first make an election under this subsection beginning on the date of commencing service or, if that is not administratively feasible, beginning on the earliest date thereafter that such an election becomes administratively feasible, as determined by the Executive Director.

''(B) An employee or Member described in subparagraph (B) of paragraph (2) shall be afforded a reasonable opportunity to first make an election under this subsection (based on the appointment or election described in such subparagraph) beginning on the date of commencing service pursuant to such appointment or election or, if that is not administratively feasible, beginning on the earliest date thereafter that such an election becomes administratively feasible, as determined by the Executive Director.

''(C) Notwithstanding the preceding provisions of this paragraph, contributions under paragraphs (1) and (2) of subsection (c) shall not be payable with respect to any pay period before the earliest pay period for which such contributions would otherwise be allowable under this subsection if this paragraph had not been enacted.

''(D) Sections 8351(a)(2), 8440a(a)(2), 8440b(a)(2), 8440c(a)(2), and 8440d(a)(2) shall be applied in a manner consistent with the purposes of subparagraphs (A) and (B), to the extent those subparagraphs can be applied with respect thereto.

''(E) Nothing in this paragraph shall affect paragraph (3).''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 8432(a) of title 5, United States Code, is amended—

(A) in the first sentence by striking ''(b)(1)'' and inserting ''(b)''; and

(B) by amending the second sentence to read as follows: ''Contributions under this subsection pursuant to such an election shall, with respect to each pay period for which such election remains in effect, be made in accordance with a program of regular contributions provided in regulations prescribed by the Executive Director.''.

(2) Section 8432(b)(1)(B) of such title is amended by inserting ''(or any election allowable by virtue of paragraph (4))'' after ''subparagraph (A)''.

(3) Section 8432(b)(3) of such title is amended by striking ''Notwithstanding paragraph (2)(A), an'' and inserting ''An''.

(4) Section 8432(i)(1)(B)(ii) of such title is amended by striking ''either elected to terminate individual contributions to the Thrift Savings Fund within 2 months before commencing military service or''.

(5) Section 8439(a)(1) of such title is amended by inserting ''who makes contributions or'' after ''for each individual'' and by striking ''section 8432(c)(1)'' and inserting ''section 8432''.

(6) Section 8439(c)(2) of such title is amended by adding at the end the following: ''Nothing in this paragraph shall be considered to limit the dissemination of information only to the times required under the preceding sentence.''.

(7) Sections 8440a(a)(2) and 8440d(a)(2) of such title are amended by striking all after ''subject to'' and inserting ''subject to this chapter.''.

(c) EFFECTIVE DATE.—This section shall take effect 6 months after the date of the enactment of this Act or such earlier date as the Executive Director (within the meaning of section 8401(13) of title 5, United States Code) may by regulation prescribe.

Subtitle D—Resumption of Certain Survivor Annuities That Terminated by Reason of Marriage

SEC. 431. RESUMPTION OF CERTAIN SURVIVOR ANNUITIES THAT TERMINATED BY REASON OF MARRIAGE.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8341(e) of title 5, United States Code, is amended by adding at the end the following:

''(4) If the annuity of a child under this subchapter terminates under paragraph (3)(E) because of marriage, then, if such marriage ends (whether by death of the spouse, divorce, or annulment), such annuity shall resume on the first day of the month in which the marriage ends, but only if—

''(A) any lump sum paid is returned to the Fund; and

''(B) that individual is not otherwise ineligible for such annuity.''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8443(b) of such title is amended by adding at the end the following: ''If the annuity of a child under this subchapter terminates under subparagraph (E) because of marriage, then, if such marriage ends (whether by death of the spouse, divorce, or annulment), such annuity shall resume on the first day of the month in which the marriage ends, but only if any lump sum paid is

returned to the Fund, and that individual is not otherwise ineligible for such annuity.''.

(c) HEALTH BENEFITS PROGRAM.—Section 8908 of title 5, United States Code, is amended by adding at the end the following:

''(d) An individual—

''(1) whose survivor annuity under section 8341(e) is terminated, and then later restored under paragraph (4) thereof, or

''(2) whose survivor annuity under section 8443(b) is terminated, and then later restored under the last sentence thereof,

may, under regulations prescribed by the Office, enroll in a health benefits plan described by section 8903 or 8903a if such individual was covered by any such plan immediately before such annuity so terminated.''.

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to any termination of marriage taking effect before, on, or after the date of the enactment of this Act, except that no amount shall be payable by reason of the amendments made by subsections (a) and (b), respectively, except to the extent of any amounts accruing for periods beginning on or after the first day of the first month beginning on or after the later of—

(1) the date of the enactment of this Act; or

(2) the date as of which termination of marriage takes effect.

Subtitle E—Life Insurance Benefits

SEC. 441. DOMESTIC RELATIONS ORDERS.

(a) IN GENERAL.—Section 8705 of title 5, United States Code, is amended—

(1) in subsection (a) by striking ''(a) The'' and inserting ''(a) Except as provided in subsection (e), the''; and

(2) by adding at the end the following:

''(e)(1) Any amount which would otherwise be paid to a person determined under the order of precedence named by subsection (a) shall be paid (in whole or in part) by the Office to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation.

''(2) For purposes of this subsection, a decree, order, or agreement referred to in paragraph (1) shall not be effective unless it is received, before the date of the covered employee's death, by the employing agency or, if the employee has separated from service, by the Office.

''(3) A designation under this subsection with respect to any person may not be changed except—

''(A) with the written consent of such person, if received as described in paragraph (2); or

''(B) by modification of the decree, order, or agreement, as the case may be, if received as described in paragraph (2).

''(4) The Office shall prescribe any regulations necessary to carry out this subsection, including regulations for the application of this subsection in the event that 2 or more decrees, orders, or agreements, are received with respect to the same amount.''.

(b) DIRECTED ASSIGNMENT.—Section 8706(e) of title 5, United States Code, is amended—

(1) by striking ''(e)'' and inserting ''(e)(1)''; and

(2) by adding at the end the following:

''(2) A court decree of divorce, annulment, or legal separation, or the terms of a court-approved property settlement agreement incidental to any court decree of divorce, annulment, or legal separation, may direct that an insured employee or former employee make an irrevocable assignment of the employee's or former employee's incidents of ownership in insurance under this chapter (if there is no previous assignment) to the person specified in the court order or court-approved property settlement agreement.''.

SEC. 442. EXCEPTION FROM PROVISIONS REQUIRING REDUCTION IN ADDITIONAL OPTIONAL LIFE INSURANCE.

(a) IN GENERAL.—Subsection (c) of section 8714b of title 5, United States Code, is amended by adding at the end the following:

''(3)(A) The amount of additional optional insurance continued under paragraph (2) shall be continued, without any reduction under the last two sentences thereof, if—

''(i) at the time of retirement, there is in effect a designation under section 8705 under which the entire amount of such insurance would be paid to an individual who is permanently disabled; and

''(ii) an election under subsection (d)(3) on behalf of such individual is made in timely fashion.

''(B) Notwithstanding subparagraph (A), any reduction required under paragraph (2) shall be made if—

''(i) the additional optional insurance is not in fact paid in accordance with the designation under section 8705, as in effect at the time of retirement;

''(ii) the Office finds that adequate arrangements have not been made to ensure that the insurance provided under this section will be used only for the care and support of the individual so designated; or

''(iii) the election referred to in subparagraph (A)(ii) terminates at any time before the death of the individual who made such election.

''(C) For purposes of this paragraph, the term 'permanently disabled' shall have the meaning given such term under regulations which the Office shall prescribe based on subparagraphs (A) and (C) of section 1614(a)(3) of the Social Security Act, except that, in applying subparagraph (A) of such section for purposes of this subparagraph, 'which can be expected to last permanently' shall be substituted for 'which has lasted or can be expected to last for a continuous period of not less than twelve months'.''.

(b) CONTINUED WITHHOLDINGS.—Subsection (d) of such section 8714b is amended by adding at the end the following:

''(3)(A) To be eligible for unreduced additional optional insurance under subsection (c)(3), the insured individual shall be required to elect, at such time and in such manner as the Office by regulation requires (including procedures for demonstrating compliance with the requirements of subsection (c)(3)), to have the full cost thereof continue to be withheld from the former employee's annuity or compensation, as the case may be, beginning as of when such withholdings would otherwise cease under the second sentence of paragraph (1).

''(B) An election made by an insured individual under subparagraph (A) (and withholdings pursuant thereto) shall terminate in the event that—

''(i) the insured individual—

''(I) revokes such election; or

''(II) makes any redesignation or other change in the designation under section 8705 (as in effect at the time of retirement); or

''(ii) the Office finds, upon the application of the insured individual or on its own initiative, that any of the requirements or conditions for unreduced additional optional insurance under subsection (c)(3) are, at any time, no longer met.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) ELECTION FOR CERTAIN INDIVIDUALS NOT OTHERWISE ELIGIBLE.—The Office of Personnel Management shall prescribe regulations under which an election under section 8714b(d)(3)(A) of title 5, United States Code (as amended by this section) may be made, within 1 year after the date of the enactment of this Act, by any individual not otherwise eligible to make such an election, but only if such individual—

(A) separated from service on or after the first day of the 50-month period ending on the date of enactment of this Act; and

(B) would have been so eligible had the amendments made by this section (and implementing regulations) been in effect as of the individual's separation date (or, if earlier, the last day for making such an election based on that separation).

(3) WITHHOLDINGS.—

(A) PROSPECTIVE EFFECT.—If an individual makes an election under paragraph (2), withholdings under section 8714b(d)(3)(A) of such title 5 shall thereafter be made from such individual's annuity or compensation, as the case may be.

(B) EARLIER AMOUNTS.—If, pursuant to such election, benefits are in fact paid in accordance with section 8714b(c)(3) of such title 5 upon the death of the insured individual, an appropriate reduction (computed under regulations prescribed by the Office) shall be made in such benefits to reflect the withholdings that—

(i) were not made (before the commencement of withholdings under subparagraph (A)) by reason of the cessation of withholdings under the second sentence of section 8714b(d)(1) of such title; but

(ii) would have been made had the amendments made by this section (and implementing regulations) been in effect as of the time described in paragraph (2)(B).

(4) NOTICE.—The Office shall, by publication in the Federal Register and such other methods as it considers appropriate, notify current and former Federal employees as to the enactment of this section and any benefits for which they might be eligible pursuant thereto. Included as part of such notification shall be a brief description of the procedures for making an election under paragraph (2) and any other information that the Office considers appropriate.

SEC. 403. TEMPORARY CONTINUATION OF FEDERAL EMPLOYEES' LIFE INSURANCE.

Section 8706 of title 5, United States Code, is amended by adding at the end the following:

''(g)(1) Notwithstanding subsections (a) and (b) of this section, an employee whose coverage under this chapter would otherwise terminate due to a separation described in paragraph (3) shall be eligible to continue basic insurance coverage described in section 8704 in accordance with this subsection and regulations the Office may prescribe, if the employee arranges to pay currently into the Employees Life Insurance Fund, through the former employing agency or, if an annuitant, through the responsible retirement system, an amount equal to the sum of—

''(A) both employee and agency contributions which would be payable if separation had not occurred; plus

''(B) an amount, determined under regulations prescribed by the Office, to cover necessary administrative expenses, but not to exceed 2 percent of the total amount under subparagraph (A).

''(2) Continued coverage under this subsection may not extend beyond the date which is 18 months after the effective date of the separation which entitles a former employee to coverage under this subsection. Termination of continued coverage under this subsection shall be subject to provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance as provided by subsection (a). If an eligible employee does not

make an election for purposes of this subsection, the employee's insurance will terminate as provided by subsection (a).

''(3)(A) This subsection shall apply to an employee who, on or after the date of enactment of this subsection and before the applicable date under subparagraph (B)—

''(i) is involuntarily separated from a position due to a reduction in force, or separates voluntarily from a position the employing agency determines is a 'surplus position' as defined by section 8905(d)(4)(C); and

''(ii) is insured for basic insurance under this chapter on the date of separation.

''(B) The applicable date under this subparagraph is October 1, 1999, except that, for purposes of any involuntary separation referred to in subparagraph (A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 1999, the applicable date under this subparagraph is February 1, 2000.''.

TITLE V—REORGANIZATION FLEXIBILITY

SEC. 501. VOLUNTARY REDUCTIONS IN FORCE.

Section 3502(f) of title 5, United States Code, is amended to read as follows:

''(f)(1) The head of an Executive agency or military department may—

''(A) separate from service any employee who volunteers to be separated under this subparagraph even though the employee is not otherwise subject to separation due to a reduction in force; and

''(B) for each employee voluntarily separated under subparagraph (A), retain an employee in a similar position who would otherwise be separated due to a reduction in force.

''(2) The separation of an employee under paragraph (1)(A) shall be treated as an involuntary separation due to a reduction in force, except for purposes of priority placement programs and advance notice.

''(3) An employee with critical knowledge and skills (as defined by the head of the Executive agency or military department concerned) may not participate in a voluntary separation under paragraph (1)(A) if the agency or department head concerned determines that such participation would impair the performance of the mission of the agency or department (as applicable).

''(4) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

''(5) No authority under paragraph (1) may be exercised after September 30, 2001.''.

SEC. 502. NONREIMBURSABLE DETAILS TO FEDERAL AGENCIES BEFORE A REDUCTION IN FORCE.

(a) IN GENERAL.—Section 3341 of title 5, United States Code, is amended to read as follows:

''§ 3341. Details; within Executive agencies and military departments; employees affected by reduction in force

''(a) The head of an Executive agency or military department may detail employees, except those required by law to be engaged exclusively in some specific work, among the bureaus and offices of the agency or department.

''(b) The head of an Executive agency or military department may detail to duties in the same or another agency or department, on a nonreimbursable basis, an employee who has been identified by the employing agency as likely to be separated from the Federal service by reduction in force or who has received a specific notice of separation by reduction in force.

''(c)(1) Details under subsection (a)—

''(A) may not be for periods exceeding 120 days; and

''(B) may be renewed (1 or more times) by written order of the head of the agency or department, in each particular case, for periods not exceeding 120 days each.

''(2) Details under subsection (b)—

''(A) may not be for periods exceeding 90 days; and

''(B) may not be renewed.

''(d) The 120-day limitation under subsection (c)(1) for details and renewals of details does not apply to the Department of Defense in the case of a detail—

''(1) made in connection with the closure or realignment of a military installation pursuant to a base closure law or an organizational restructuring of the Department as part of a reduction in the size of the armed forces or the civilian workforce of the Department; and

''(2) in which the position to which the employee is detailed is eliminated on or before the date of the closure, realignment, or restructuring.

''(e) For purposes of this section—

''(1) the term 'base closure law' means—

''(A) section 2687 of title 10;

''(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act; and

''(C) the Defense Base Closure and Realignment Act of 1990; and

''(2) the term 'military installation'—

''(A) in the case of an installation covered by section 2687 of title 10, has the meaning given such term in subsection (e)(1) of such section;

''(B) in the case of an installation covered by the Act referred to in subparagraph (B) of paragraph (1), has the meaning given such term in section 209(6) of such Act; and

''(C) in the case of an installation covered by the Act referred to in subparagraph (C) of paragraph (1), has the meaning given such term in section 2910(4) of such Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by striking the item relating to section 3341 and inserting the following:

''3341. Details; within Executive agencies and military departments; employees affected by reduction in force.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

TITLE VI—SOFT-LANDING PROVISIONS

SEC. 601. CONTINUED ELIGIBILITY FOR LIFE INSURANCE.

(a) IN GENERAL.—Section 8706 of title 5, United States Code, is amended by redesignating subsections (d) through (f) as subsections (e) through (g), respectively, and by inserting after subsection (c) the following:

''(d)(1) Notwithstanding subsection (b), any employee who, on or after the date of the enactment of this subsection and before the applicable date under paragraph (2)—

''(A) is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force,

''(B) based on the separation referred to in subparagraph (A), retires on an immediate annuity under subchapter III of chapter 83 or subchapter II of chapter 84, but does not satisfy the requirements of subsection (b)(1), and

''(C) is insured on the date of separation,

may, within 60 days after the date of separation, elect to continue such employee's insurance and arrange to pay currently into the Employees' Life Insurance Fund both the employee and agency contributions therefor, in accordance with procedures prescribed by the Office. If the employee does not so elect, such employee's insurance will terminate as provided by subsection (a).

''(2) The applicable date under this paragraph is October 1, 1999, except that, for purposes of any involuntary separation referred to in paragraph (1)(A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 1999, the applicable date under this paragraph is February 1, 2000.

''(3) For purposes of this subsection, the term 'surplus position', with respect to an agency, means any position determined in accordance with regulations under section 8905a(d)(4)(C) for such agency.''.

(b) CONFORMING AMENDMENT.—Section 8706(g) of title 5, United States Code, as so redesignated by subsection (a), is amended by striking ''subsection (e)'' and inserting ''subsection (f)''.

SEC. 602. CONTINUED ELIGIBILITY FOR HEALTH INSURANCE.

(a) CONTINUED ELIGIBILITY AFTER RETIREMENT.—Section 8905 of title 5, United States Code, is amended—

(1) in the first sentence of subsection (b) by striking ''An'' and inserting ''Subject to subsection (g), an''; and

(2) by adding at the end the following:

''(g)(1) The Office shall waive the requirements for continued enrollment under subsection (b) in the case of any individual who, on or after the date of the enactment of this subsection and before the applicable date under paragraph (2)—

''(A) is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force,

''(B) based on the separation referred to in subparagraph (A), retires on an immediate annuity under subchapter III of chapter 83 or subchapter II of chapter 84, and

''(C) is enrolled in a health benefits plan under this chapter as an employee immediately before retirement.

''(2) The applicable date under this paragraph is October 1, 1999, except that, for purposes of any involuntary separation referred to in paragraph (1)(A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 1999, the applicable date under this paragraph is February 1, 2000.

''(3) For purposes of this subsection, the term 'surplus position', with respect to an agency, means any position determined in accordance with regulations under section 8905a(d)(4)(C) for such agency.''.

(b) TEMPORARY CONTINUED ELIGIBILITY AFTER BEING INVOLUNTARILY SEPARATED.—Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A) by striking ''the Department of Defense'' and inserting ''an Executive agency''; and

(2) by amending subparagraph (C) to read as follows:

''(C) For purposes of this paragraph, the term 'surplus position' means a position that, as determined under regulations prescribed by the head of the agency involved, is identified during planning for a reduction in force as being no longer required and is designated for elimination during the reduction in force.''.

SEC. 603. PRIORITY PLACEMENT PROGRAMS FOR FEDERAL EMPLOYEES AFFECTED BY A REDUCTION IN FORCE.

(a) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

''§ 3330a. Priority placement programs for employees affected by a reduction in force

''(a) Not later than 3 months after the date of the enactment of this section, each Executive agency shall establish an agencywide priority placement program, to facilitate employment placement for employees who—

''(1) are scheduled to be separated from service due to a reduction in force under—

''(A) regulations prescribed under section 3502; or

''(B) procedures established under section 3595;

''(2) are separated from service due to such a reduction in force; or

''(3) have received a rating of at least fully successful (or the equivalent) as the last performance rating of record used for retention purposes (except for employees in positions excluded from a performance appraisal system by law, regulation, or administrative action taken by the Office of Personnel Management).

''(b)(1) Each agencywide priority placement program under this section shall include provisions under which a vacant position shall not (except as provided in this subsection) be filled by the appointment or transfer of any individual from outside of that agency (other than an individual described in paragraph (2)) if—

''(A) there is then available any individual described in paragraph (2) who is qualified for the position; and

''(B) the position—

''(i) is at the same grade or pay level (or the equivalent) or not more than 3 grades (or grade intervals) below that of the position last held by such individual before placement in the new position;

''(ii) is within the same commuting area as the individual's last-held position (as referred to in clause (i)) or residence; and

''(iii) has the same type of work schedule (whether full-time, part-time, or intermittent) as the position last held by the individual.

''(2) For purposes of an agencywide priority placement program, an individual shall be considered to be described in this paragraph if such individual is—

''(A) an employee of such agency who is scheduled to be separated, as described in subsection (a)(1); or

''(B) an individual who became a former employee of such agency as a result of a separation, as described in subsection (a)(2).

''(c)(1) If after a reduction in force the agency has no positions of any type within the local commuting areas specified in this section, the individual may designate a different local commuting area where the agency has continuing positions in order to exercise reemployment rights under this section. An agency may determine that such designations are not in the interest of the Government for the purpose of paying relocation expenses under subchapter II of chapter 57.

''(2) At its option, an agency may administratively extend reemployment rights under this section to include other local commuting areas.

''(d)(1) In selecting employees for positions under this section, the agency shall place qualified present and former employees in retention order by veterans' preference subgroup and tenure group.

''(2) An agency may not pass over a qualified present or former employee to select an individual in a lower veterans' preference subgroup within the tenure group, or in a lower tenure group.

''(3) Within a subgroup, the agency may select a qualified present or former employee without regard to the individual's total creditable service.

''(e) An individual is eligible for reemployment priority under this section for 2 years from the effective date of the reduction in force from which the individual will be, or has been, separated under section 3502.

''(f) An individual qualified present or former employee loses eligibility for reemployment priority under this section when the individual—

''(1) requests removal in writing;

''(2) accepts or declines a bona fide offer under this section or fails to accept such an offer within the period of time allowed for such acceptance, or

''(3) separates from the agency before being separated under section 3502.

A present or former employee who declines a position with a representative rate (or equivalent) that is less than the rate of the position from which the individual was separated under section 3502 retains eligibility for positions with a higher representative rate up to the rate of the individual's last position.

''(g) Whenever more than one individual is qualified for a position under this section, the agency shall select the most highly qualified individual, subject to subsection (d).

''(h) The Office of Personnel Management shall issue regulations to implement this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by adding after the item relating to the section 3330 the following:

''3330a. Priority placement programs for employees affected by a reduction in force.''.

SEC. 604. JOB PLACEMENT AND COUNSELING SERVICES.

(a) AUTHORITY FOR SERVICES.—The head of each Executive agency may establish a program to provide job placement and counseling services to current and former employees.

(b) TYPES OF SERVICES AUTHORIZED.—A program established under this section may include such services as—

(1) career and personal counseling;

(2) training in job search skills; and

(3) job placement assistance, including assistance provided through cooperative arrangements with State and local employment service offices.

(c) ELIGIBILITY FOR SERVICES.—Services authorized by this section may be provided to—

(1) current employees of the agency or, with the approval of such other agency, any other agency; and

(2) employees of the agency or, with the approval of such other agency, any other agency who have been separated for less than 1 year, if the separation was not a removal for cause on charges of misconduct or delinquency.

(d) REIMBURSEMENT FOR COSTS.—The costs of services provided to current or former employees of another agency shall be reimbursed by that agency.

SEC. 605. EDUCATION AND RETRAINING INCENTIVES.

(a) NON-FEDERAL EMPLOYMENT INCENTIVE PAYMENTS.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) the term ''eligible employee'' means an employee who is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force, except that such term does not include an employee who, at the time of separation, meets the age and service requirements for an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, other than under section 8336(d) or 8414(b) of such title;

(B) the term ''non-Federal employer'' means an employer other than the Government of the United States or any agency or other instrumentality thereof;

(C) the term ''Executive agency'' has the meaning given such term by section 105 of title 5, United States Code; and

(D) the term ''surplus position'' has the meaning given such term by section 8905(d)(4)(C) of title 5, United States Code.

(2) AUTHORITY.—The head of an Executive agency may pay retraining and relocation incentive payments, in accordance with this subsection, in order to facilitate the reemployment of eligible employees who are separated from such agency.

(3) RETRAINING INCENTIVE PAYMENT.—

(A) AGREEMENT.—The head of an Executive agency may enter into an agreement with a non-Federal employer under which the non-Federal employer agrees—

(i) to employ an individual referred to in paragraph (2) for at least 12 months for a salary which is mutually agreeable to the employer and such individual; and

(ii) to certify to the agency head any costs incurred by the employer for any necessary training provided to such individual in connection with the employment by such employer.

(B) PAYMENT OF RETRAINING INCENTIVE PAYMENT.—The agency head shall pay a retraining incentive payment to the non-Federal employer upon the employee's completion of 12 months of continuous employment by that employer. The agency head shall prescribe the amount of the incentive payment.

(C) PRORATION RULE.—The agency head shall pay a prorated amount of the full retraining incentive payment to the non-Federal employer for an employee who does not remain employed by the non-Federal employer for at least 12 months, but only if the employee remains so employed for at least 6 months.

(D) LIMITATION.—In no event may the amount of the retraining incentive payment paid for the training of any individual exceed the amount certified for such individual under subparagraph (A), subject to subsection (c).

(4) RELOCATION INCENTIVE PAYMENT.—The head of an agency may pay a relocation incentive payment to an eligible employee if it is necessary for the employee to relocate in order to commence employment with a non-Federal employer. Subject to subsection (e), the amount of the incentive payment shall not exceed the amount that would be payable for travel, transportation, and subsistence expenses under subchapter II of chapter 57 of title 5, United States Code, including any reimbursement authorized under section 5724b of such title, to a Federal employee who transfers between the same locations as the individual to whom the incentive payment is payable.

(5) DURATION.—No incentive payment may be paid for training or relocation commencing after June 30, 2000.

(6) SOURCE.—An incentive payment under this subsection shall be payable from appropriations or other funds available to the agency for purposes of training (within the meaning of section 4101(4) of title 5, United States Code).

(b) EDUCATIONAL ASSISTANCE.—

(1) IN GENERAL.—Under regulations prescribed by the Office of Personnel Management, all or any part of the amount described in subsection (c) may be afforded to any employee described in paragraph (2) in the form of educational assistance.

(2) ELIGIBLE EMPLOYEE.—An individual shall not be eligible for educational assistance under this subsection unless such individual—

(A) is an eligible employee, within the meaning of subsection (a); and

(B) has completed at least 3 years of current continuous service in any Executive agency or agencies.

(c) AGGREGATE LIMITATION.—No incentive payment or other amount may be paid under this section to or on behalf of any individual to the extent that such amount would cause the aggregate amount otherwise paid or payable under this section, to or on behalf of such individual, to exceed $10,000.

TITLE VII—MISCELLANEOUS

SEC. 701. REIMBURSEMENTS RELATING TO PROFESSIONAL LIABILITY INSURANCE.

(a) AUTHORITY.—Notwithstanding any other provision of law, any amounts appropriated, for fiscal year 1997 or any fiscal year thereafter, for salaries and expenses of Government employees may be used to reimburse any qualified employee for not to exceed one-half the costs incurred by such employee for professional liability insurance. A payment under this section shall be contingent upon the submission of such information or documentation as the employing agency may require.

(b) QUALIFIED EMPLOYEE.—For purposes of this section, the term ''qualified employee'' means—

(1) an agency employee whose position is that of a law enforcement officer;

(2) an agency employee whose position is that of a supervisor or management official; or

(3) such other employee as the head of the agency considers appropriate

(c) DEFINITIONS.—For purposes of this section—

(1) the term ''agency'' means an Executive agency, as defined by section 105 of title 5, United States Code;

(2) the term ''law enforcement officer'' means an employee, the duties of whose position are primarily the investigation, apprehension, prosecution, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, including any law enforcement officer under section 8331(20) or 8401(17) of such title 5;

(3) the terms ''supervisor'' and ''management official'' have the respective meanings given them by section 7103(a) of such title 5; and

(4) the term ''professional liability insurance'' means insurance which provides coverage for—

(A) legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such other persons (including the expenses of litigation and settlement) resulting from or arising out of any tortious act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual's official duties as a qualified employee; and

(B) the cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered individual while in the performance of such individual's official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

SEC. 702. EMPLOYMENT RIGHTS FOLLOWING CONVERSION TO CONTRACT.

(a) IN GENERAL.—An employee whose position is abolished because an activity performed by an Executive agency (within the meaning of section 105 of title 5, United States Code, is converted to contract shall receive from the contractor an offer in good faith of a right of first refusal of employment under the contract for a position for which the employee is deemed qualified based upon previous knowledge, skills, abilities, and experience. The contractor shall not offer employment under the contract to any person prior to having complied fully with this obligation, except as provided in subsection (b), or unless no employee whose position is abolished because such activity has been converted to contract can demonstrate appropriate qualifications for the position.

(b) EXCEPTION.—Notwithstanding the contractor's obligation under subsection (a), the contractor is not required to offer a right of first refusal to any employee who, in the 12 months preceding conversion to contract, has been the subject of an adverse personnel action related to misconduct or has received a less than fully successful performance rating.

(c) LIMITATION.—No employee shall have a right to more than 1 offer under this section based on any particular separation due to the conversion of an activity to contract.

(d) REGULATIONS.—Regulations to carry out this section may be prescribed by the President.

SEC. 703. DEBARMENT OF HEALTH CARE PROVIDERS FOUND TO HAVE ENGAGED IN FRAUDULENT PRACTICES.

(a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended—

(1) in subsection (a)(2)(A) by striking ''subsection (b) or (c)'' and inserting ''subsection (b), (c), or (d)'';

(2) in subsection (b)—

(A) by striking ''may'' and inserting ''shall'' in the matter before paragraph (1); and

(B) by amending paragraph (5) to read as follows:

''(5) Any provider that is currently suspended or excluded from participation under any program of the Federal Government involving procurement or nonprocurement activities.'';

(3) by redesignating subsections (c) through (i) as subsections (d) through (j), respectively, and by inserting after subsection (b) the following:

''(c) The Office may bar the following providers of health care services from participating in the program under this chapter:

''(1) Any provider—

''(A) whose license to provide health care services or supplies has been revoked, suspended, restricted, or not renewed, by a State licensing authority for reasons relating to the provider's professional competence, professional performance, or financial integrity; or

''(B) that surrendered such a license while a formal disciplinary proceeding was pending before such an authority, if the proceeding concerned the provider's professional competence, professional performance, or financial integrity.

''(2) Any provider that is an entity directly or indirectly owned, or with a 5 percent or more controlling interest, by an individual who is convicted of any offense described in subsection (b), against whom a civil monetary penalty has been assessed under subsection (d), or who has been excluded from participation under this chapter.

''(3) Any provider that the Office determines, in connection with claims presented under this chapter, has charged for health care services or supplies in an amount substantially in excess of such provider's customary charges for such services or supplies (unless the Office finds there is good cause for such charge), or charged for health care services or supplies which are substantially in excess of the needs of the covered individual or which are of a quality that fails to meet professionally recognized standards for such services or supplies.

''(4) Any provider that the Office determines has committed acts described in subsection (d).'';

(4) in subsection (d), as so redesignated by paragraph (3), by amending paragraph (1) to read as follows:

''(1) in connection with claims presented under this chapter, that a provider has charged for a health care service or supply which the provider knows or should have known involves—

''(A) an item or service not provided as claimed;

''(B) charges in violation of applicable charge limitations under section 8904(b); or

''(C) an item or service furnished during a period in which the provider was excluded from participation under this chapter pursuant to a determination by the Office under this section, other than as permitted under subsection (g)(2)(B);'';

(5) in subsection (f), as so redesignated by paragraph (3), by inserting ''(where such debarment is not mandatory),'' after ''under this section'' the first place it appears;

(6) in subsection (g), as so redesignated by paragraph (3)—

(A) by striking ''(g)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(g)(1)(A) Except as provided in subparagraph (B), debarment of a provider under subsection (b) or (c) shall be effective at such time and upon such reasonable notice to such provider, and to carriers and covered individuals, as shall be specified in regulations prescribed by the Office. Any such provider that is excluded from participation may request a hearing in accordance with subsection (h)(1).

''(B) Unless the Office determines that the health or safety of individuals receiving health care services warrants an earlier effective date, the Office shall not make a determination adverse to a provider under subsection (c)(4) or (d) until such provider has been given reasonable notice and an opportunity for the determination to be made after a hearing as provided in accordance with subsection (h)(1).'';

(B) in paragraph (3)—

(i) by inserting ''of debarment'' after ''notice''; and

(ii) by adding at the end the following: ''In the case of a debarment under paragraphs (1) through (4) of subsection (b), the minimum period of exclusion shall not be less than 3 years, except as provided in paragraph (4)(B)(ii).''; and

(C) in paragraph (4)(B)(i)(I) by striking ''subsection (b) or (c)'' and inserting ''subsection (b), (c), or (d)'';

(7) in subsection (h)—

(A) by striking ''(h)(1)'' and all that follows through the end of paragraph (2) and inserting the following:

''(h)(1) Any provider of health care services or supplies that is the subject of an adverse determination by the Office under this section shall be entitled to reasonable notice and an opportunity to request a hearing of record, and to judicial review as provided in this subsection after the Office renders a final decision. The Office shall grant a request for a hearing upon a showing that due process rights have not previously been afforded with respect to any finding of fact which is relied upon as a cause for an adverse determination under this section. Such hearing shall be conducted without regard to subchapter II of chapter 5 and chapter 7 of this title by a hearing officer who shall be designated by the Director of the Office and who shall not otherwise have been involved in the adverse determination being appealed. A request for a hearing under this subsection must be filed within such period and in accordance with such procedures as the Office shall prescribe by regulation.

''(2) Any provider adversely affected by a final decision under paragraph (1) made after a hearing to which such provider was a party may seek review of such decision in the United States District Court for the District of Columbia or for the district in which the plaintiff resides or has his principal place of business by filing a notice of appeal in such court within 60 days from the date the decision is issued and simultaneously sending

copies of such notice by certified mail to the Director of the Office and to the Attorney General. In answer to the appeal, the Director of the Office shall promptly file in such court a certified copy of the transcript of the record, if the Office conducted a hearing, and other evidence upon which the findings and decision complained of are based. The court shall have power to enter, upon the pleadings and evidence of record, a judgment affirming, modifying, or setting aside, in whole or in part, the decision of the Office, with or without remanding the cause for a rehearing. The district court shall not set aside or remand the decision of the Office unless there is not substantial evidence on the record, taken as a whole, to support the findings by the Office of a cause for action under this section or unless action taken by the Office constitutes an abuse of discretion.''; and

(8) in subsection (i), as so redesignated by paragraph (3)—

(A) by striking ''subsection (c)'' and inserting ''subsection (d)''; and

(B) by adding at the end the following: ''The amount of a penalty or assessment as finally determined by the Office, or other amount the Office may agree to in compromise, may be deducted from any sum then or later owing by the United States to the party against whom the penalty or assessment has been levied.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTIONS.—(A) Paragraphs (2) and (4) of section 8902a(c) of title 5, United States Code, as amended by subsection (a), shall apply only to the extent that the misconduct which is the basis for debarment thereunder occurs after the date of the enactment of this Act.

(B) Section 8902a(d)(1)(B) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to charges which violate section 8904(b) of such title 5 for items and services furnished after the date of the enactment of this Act.

(C) Section 8902a(g)(3) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to debarments based on convictions occurring after the date of the enactment of this Act.

SEC. 704. EXTENSION OF CERTAIN PROCEDURAL AND APPEAL RIGHTS TO CERTAIN PERSONNEL OF THE FEDERAL BUREAU OF INVESTIGATION.

(a) IN GENERAL.—Section 7511(b)(8) of title 5, United States Code, is amended by striking ''the Federal Bureau of Investigation,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any personnel action taking effect after the end of the 45-day period beginning on the date of the enactment of this Act.

SEC. 705. CONVERSION OF CERTAIN EXCEPTED SERVICE POSITIONS IN THE UNITED STATES FIRE ADMINISTRATION TO COMPETITIVE SERVICE POSITIONS.

(a) IN GENERAL.—No later than the date described under subsection (d)(1), the Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management shall take such actions as necessary to convert each excepted service position established before the date of the enactment of this Act under section 7(c)(4) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(c)(4)) to a competitive service position.

(b) EFFECT ON EMPLOYEES.—Any employee employed on the date of the enactment of this Act in an excepted service position converted under subsection (a)—

(1) shall remain employed in the competitive service position so converted without a break in service;

(2) by reason of such conversion, shall have no—

(A) diminution of seniority;

(B) reduction of cumulative years of service; and

(C) requirement to serve an additional probationary period applied; and

(3) shall retain their standing and participation with respect to chapter 83 or 84 of title 5, United States Code, relating to Federal retirement.

(c) PROSPECTIVE COMPETITIVE SERVICE POSITIONS.—Section 7(c)(4) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206(c)(4)) is amended to read as follows:

''(4) appoint faculty members to competitive service positions and with respect to temporary and intermittent services, to make appointments of consultants to the same extent as is authorized by section 3109 of title 5, United States Code;''.

(d) EFFECTIVE DATE.—(1) Except as provided under paragraph (2), this section shall take effect on the first day of the first pay period, applicable to the positions described under subsection (a), beginning after the date of the enactment of this Act.

(2)(A) The Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management shall take such actions as directed under subsection (a) on and after the date of the enactment of this Act.

(B) Subsection (c) shall take effect on the date of the enactment of this Act.

SEC. 706. ELIGIBILITY FOR CERTAIN SURVIVOR ANNUITY BENEFITS.

For the purpose of determining eligibility for survivor annuity benefits for a former spouse under section 8341 of title 5, United States Code, an application of any former spouse shall be approved if—

(1) the annuitant is deceased;

(2) the former spouse was living as of January 1, 1992;

(3) the former spouse has not received Social Security benefits based on eligibility as the spouse of the annuitant;

(4) such application was filed on or after January 1, 1989;

(5) the annuitant rendered at least 25 years of creditable service to the Federal Government;

(6) at the time of the annuitant's retirement, the annuitant and the former spouse had been married at least 25 years;

(7) at the time of the annuitant's retirement, the annuitant designated the former spouse to receive survivor annuity benefits;

(8) the annuitant and the former spouse were divorced prior to September 14, 1978, and after the annuitant retired;

(9) neither at the time of the divorce nor at any time thereafter was a joint waiver of survivor annuity benefits executed between the annuitant and the former spouse;

(10) the divorce decree was silent as to survivor annuity benefits or designated the former spouse to receive survivor annuity benefits;

(11) subsequent to the divorce of the annuitant and the former spouse, the annuitant advised the Office of Personnel Management of the divorce;

(12) neither the annuitant nor the former spouse married any other individual after their divorce from each other;

(13) no direct notice outlining or defining the former spouse's survivor annuity benefits election rights was delivered to the former spouse by the Office of Personnel Management; and

(14) the former spouse has exhausted all judicial remedies up to and including remedies available through the United States Court of Appeals.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MICA

Mr. MICA. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows.

Amendment in the nature of a substitute offered by Mr. MICA: Strike out all after the enacting clause and insert in lieu thereof:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Omnibus Civil Service Reform Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—DEMONSTRATION PROJECTS

SEC. 101. DEMONSTRATION PROJECTS.

(a) DEFINITIONS.—Paragraph (1) of section 4701(a) of title 5, United States Code, is amended by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) PRE-IMPLEMENTATION PROCEDURES.—Subsection (b) of section 4703 of title 5, United States Code, is amended to read as follows:

''(b) Before an agency or the Office may conduct or enter into any agreement or contract to conduct a demonstration project, the Office—

''(1) shall develop or approve a plan for such project which identifies—

''(A) the purposes of the project;

''(B) the methodology;

''(C) the duration; and

''(D) the methodology and criteria for evaluation;

''(2) shall publish the plan in the Federal Register;

''(3) may solicit comments from the public and interested parties in such manner as the Office considers appropriate;

''(4) shall obtain approval from each agency involved of the final version of the plan; and

''(5) shall provide notification of the proposed project, at least 30 days in advance of the date any project proposed under this section is to take effect—

''(A) to employees who are likely to be affected by the project; and

''(B) to each House of the Congress.''.

(c) NONWAIVABLE PROVISIONS.—Section 4703(c) of title 5, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) any provision of subchapter V of chapter 63 or subpart G of part III of this title;''; and

(2) by striking paragraph (3) and inserting the following:

''(3) any provision of chapter 15 or subchapter II or III of chapter 73 of this title;''.

(d) LIMITATIONS.—Subsection (d) of section 4703 of title 5, United States Code, is amended to read as follows:

''(d)(1) Each demonstration project shall terminate before the end of the 5-year period beginning on the date on which the project takes effect, except that the project may continue for a maximum of 2 years beyond the date to the extent necessary to validate the results of the project.

''(2)(A) Not more than 15 active demonstration projects may be in effect at any time, and of the projects in effect at any time, not more than 5 may involve 5,000 or more individuals each.

''(B) Individuals in a control group necessary to validate the results of a project shall not, for purposes of any determination under subparagraph (A), be considered to be involved in such project.''.

(e) EVALUATIONS.—Subsection (h) of section 4703 of title 5, United States Code, is amended by adding at the end the following: ''The Office may, with respect to a demonstration project conducted by another agency, require that the preceding sentence be carried out by such other agency.''.

(f) PROVISIONS FOR TERMINATION OF PROJECT OR MAKING IT PERMANENT.—Section 4703 of title 5, United States Code, is amended—

(1) in subsection (i) by inserting ''by the Office'' after ''undertaken''; and

(2) by adding at the end the following:

''(j)(1) If the Office determines that termination of a demonstration project (whether under subsection (e) or otherwise) would result in the inequitable treatment of employees who participated in the project, the Office shall take such corrective action as is within its authority. If the Office determines that legislation is necessary to correct an inequity, it shall submit an appropriate legislative proposal to both Houses of Congress.

''(2) If the Office determines that a demonstration project should be made permanent, it shall submit an appropriate legislative proposal to both Houses of Congress.''.

TITLE II—PERFORMANCE MANAGEMENT ENHANCEMENT

SEC. 201. NO APPEAL OF DENIAL OF PERIODIC STEP-INCREASES.

(a) IN GENERAL.—Section 5335(c) of title 5, United States Code, is amended—

(1) by striking the second sentence;

(2) in the third sentence by striking ''or appeal''; and

(3) in the last sentence by striking ''and the entitlement of the employee to appeal to the Board do not apply'' and inserting ''does not apply''.

(b) PERFORMANCE RATINGS.—Section 5335 of title 5, United States Code, as amended by subsection (a), is further amended—

(1) in subsection (a)(B) by striking ''work of the employee is of an acceptable level of competence'' and inserting ''performance of the employee is at least fully successful'';

(2) in subsection (c)—

(A) in the first sentence by striking ''work of an employee is not of an acceptable level of competence,'' and inserting ''performance of an employee is not at least fully successful,''; and

(B) in the last sentence by striking ''acceptable level of competence'' and inserting ''fully successful work performance''; and

(3) by adding at the end the following:

''(g) For purposes of this section, the term 'fully successful' denotes work performance that satisfies the requirements of section 351.504(d)(3)(D) of title 5 of the Code of Federal Regulations (as deemed to be amended by section 3502(g)(2)(B)).''.

SEC. 202. PERFORMANCE APPRAISALS.

(a) IN GENERAL.—Section 4302 of title 5, United States Code, is amended—

(1) in subsection (b) by striking paragraphs (5) and (6) and inserting the following:

''(5) assisting employees in improving unacceptable performance, except in circumstances described in subsection (c); and

''(6) reassigning, reducing in grade, removing, or taking other appropriate action against employees whose performance is unacceptable.''; and

(2) by adding at the end the following:

''(c) Upon notification of unacceptable performance, an employee shall be afforded an opportunity to demonstrate acceptable performance before a reduction in grade or removal may be proposed under section 4303 based on such performance, except that an employee so afforded such an opportunity shall not be afforded any further opportunity to demonstrate acceptable performance if the employee's performance again is determined to be at an unacceptable level.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by this section shall not apply in the case of any proposed action as to which the employee receives advance written notice, in accordance with section 4303(b)(1)(A) of title 5, United States Code, before the effective date of this section.

SEC. 203. AMENDMENTS TO INCENTIVE AWARDS AUTHORITY.

Chapter 45 of title 5, United States Code, is amended—

(1) by amending section 4501 to read as follows:

''§ 4501. Definitions

''For the purpose of this subchapter—

''(1) the term 'agency' means—

''(A) an Executive agency;

''(B) the Library of Congress;

''(C) the Office of the Architect of the Capitol;

''(D) the Botanic Garden;

''(E) the Government Printing Office; and

''(F) the United States Sentencing Commission;

but does not include—

''(i) the Tennessee Valley Authority; or

''(ii) the Central Bank for Cooperatives;

''(2) the term 'employee' means an employee as defined by section 2105; and

''(3) the term 'Government' means the Government of the United States.'';

(2) by amending section 4503 to read as follows:

''§ 4503. Agency awards

''(a) The head of an agency may pay a cash award to, and incur necessary expense for the honorary recognition of, an employee who—

''(1) by his suggestion, invention, superior accomplishment, or other personal effort, contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or

''(2) performs a special act or service in the public interest in connection with or related to his official employment.

''(b)(1) If the criteria under paragraph (1) or (2) of subsection (a) are met on the basis of the suggestion, invention, superior accomplishment, act, service, or other meritorious effort of a group of employees collectively, and if the circumstances so warrant (such as by reason of the infeasibility of determining the relative role or contribution assignable to each employee separately), authority under subsection (a) may be exercised—

''(A) based on the collective efforts of the group; and

''(B) with respect to each member of such group.

''(2) The amount awarded to each member of a group under this subsection—

''(A) shall be the same for all members of such group, except that such amount may be prorated to reflect differences in the period of time during which an individual was a member of the group; and

''(B) may not exceed the maximum cash award allowable under subsection (a) or (b) of section 4502, as applicable.''; and

(3) in subsection (a)(1) of section 4505a by striking ''at the fully successful level or higher'' and inserting ''higher than the fully successful level''.

SEC. 204. DUE PROCESS RIGHTS OF MANAGERS UNDER NEGOTIATED GRIEVANCE PROCEDURES.

(a) IN GENERAL.—Paragraph (2) of section 7121(b) of title 5, United States Code, is amended to read as follows:

''(2) The provisions of a negotiated grievance procedure providing for binding arbitration in accordance with paragraph (1)(C)(iii) shall, if or to the extent that an alleged prohibited personnel practice is involved, allow the arbitrator to order a stay of any personnel action in a manner similar to the manner described in section 1221(c) with respect to the Merit Systems Protection Board.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)—

(1) shall take effect on the date of the enactment of this Act; and

(2) shall apply with respect to orders issued on or after the date of the enactment of this Act, notwithstanding the provisions of any collective bargaining agreement.

SEC. 205. COLLECTION AND REPORTING OF TRAINING INFORMATION.

(a) TRAINING WITHIN GOVERNMENT.—The Office of Personnel Management shall collect information concerning training programs, plans, and methods utilized by agencies of the Government and submit a report to the Congress on this activity on an annual basis.

(b) TRAINING OUTSIDE OF GOVERNMENT.—The Office of Personnel Management, to the

extent it considers appropriate in the public interest, may collect information concerning training programs, plans, and methods utilized outside the Government. The Office, on request, may make such information available to an agency and to Congress.

TITLE III—ENHANCEMENT OF THRIFT SAVINGS PLAN AND CERTAIN OTHER BENEFITS

SEC. 301. LOANS UNDER THE THRIFT SAVINGS PLAN FOR FURLOUGHED EMPLOYEES.

Section 8433(g) of title 5, United States Code, is amended by adding at the end the following:

''(6) An employee who has been furloughed due to a lapse in appropriations may not be denied a loan under this subsection solely because such employee is not in a pay status.''.

SEC. 302. DOMESTIC RELATIONS ORDERS.

(a) IN GENERAL.—Section 8705 of title 5, United States Code, is amended—

(1) in subsection (a) by striking ''(a) The'' and inserting ''(a) Except as provided in subsection (e), the''; and

(2) by adding at the end the following:

''(e)(1) Any amount which would otherwise be paid to a person determined under the order of precedence named by subsection (a) shall be paid (in whole or in part) by the Office to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation.

''(2) For purposes of this subsection, a decree, order, or agreement referred to in paragraph (1) shall not be effective unless it is received, before the date of the covered employee's death, by the employing agency or, if the employee has separated from service, by the Office.

''(3) A designation under this subsection with respect to any person may not be changed except—

''(A) with the written consent of such person, if received as described in paragraph (2); or

''(B) by modification of the decree, order, or agreement, as the case may be, if received as described in paragraph (2).

''(4) The Office shall prescribe any regulations necessary to carry out this subsection, including regulations for the application of this subsection in the event that 2 or more decrees, orders, or agreements, are received with respect to the same amount.''.

(b) DIRECTED ASSIGNMENT.—Section 8706(e) of title 5, United States Code, is amended—

(1) by striking ''(e)'' and inserting ''(e)(1)''; and

(2) by adding at the end the following:

''(2) A court decree of divorce, annulment, or legal separation, or the terms of a court-approved property settlement agreement incidental to any court decree of divorce, annulment, or legal separation, may direct that an insured employee or former employee make an irrevocable assignment of the employee's or former employee's incidents of ownership in insurance under this chapter (if there is no previous assignment) to the person specified in the court order or court-approved property settlement agreement.''.

SEC. 303. UNREDUCED ADDITIONAL OPTIONAL LIFE INSURANCE.

(a) IN GENERAL.—Section 8714b of title 5, United States Code, is amended—

(1) in subsection (c)—

(A) by striking the last 2 sentences of paragraph (2); and

(B) by adding at the end the following:

''(3) The amount of additional optional insurance continued under paragraph (2) shall be continued, with or without reduction, in accordance with the employee's written election at the time eligibility to continue insurance during retirement or receipt of compensation arises, as follows:

''(A) The employee may elect to have withholdings cease in accordance with subsection (d), in which case—

''(i) the amount of additional optional insurance continued under paragraph (2) shall be reduced each month by 2 percent effective at the beginning of the second calendar month after the date the employee becomes 65 years of age and is retired or is in receipt of compensation; and

''(ii) the reduction under clause (i) shall continue for 50 months at which time the insurance shall stop.

''(B) The employee may, instead of the option under subparagraph (A), elect to have the full cost of additional optional insurance continue to be withheld from such employee's annuity or compensation on and after the date such withholdings would otherwise cease pursuant to an election under subparagraph (A), in which case the amount of additional optional insurance continued under paragraph (2) shall not be reduced, subject to paragraph (4).

''(C) An employee who does not make any election under the preceding provisions of this paragraph shall be treated as if such employee had made an election under subparagraph (A).

''(4) If an employee makes an election under paragraph (3)(B), that individual may subsequently cancel such election, in which case additional optional insurance shall be determined as if the individual had originally made an election under paragraph (3)(A).''; and

(2) in the second sentence of subsection (d)(1) by inserting ''if insurance is continued as provided in subparagraph (A) of paragraph (3),'' after ''except that,''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 120th day after the date of the enactment of this Act and shall apply to employees who become eligible, on or after such 120th day, to continue additional optional insurance during retirement or receipt of compensation.

TITLE IV—REORGANIZATION FLEXIBILITY

SEC. 401. VOLUNTARY REDUCTIONS IN FORCE.

Section 3502(f) of title 5, United States Code, is amended to read as follows:

''(f)(1) The head of an Executive agency or military department may, in accordance with regulations prescribed by the Office of Personnel Management—

''(A) separate from service any employee who volunteers to be separated under this subparagraph even though the employee is not otherwise subject to separation due to a reduction in force; and

''(B) for each employee voluntarily separated under subparagraph (A), retain an employee in a similar position who would otherwise be separated due to a reduction in force.

''(2) The separation of an employee under paragraph (1)(A) shall be treated as an involuntary separation due to a reduction in force, except for purposes of priority placement programs and advance notice.

''(3) An employee with critical knowledge and skills (as defined by the head of the Executive agency or military department concerned) may not participate in a voluntary separation under paragraph (1)(A) if the agency or department head concerned determines that such participation would impair the performance of the mission of the agency or department (as applicable).

''(4) The regulations prescribed under this section shall incorporate the authority provided in this subsection.

''(5) No authority under paragraph (1) may be exercised after September 30, 2001.''.

SEC. 402. NONREIMBURSABLE DETAILS TO FEDERAL AGENCIES BEFORE A REDUCTION IN FORCE.

(a) IN GENERAL.—Section 3341 of title 5, United States Code, is amended to read as follows:

''§ 3341. Details; within Executive agencies and military departments; employees affected by reduction in force

''(a) The head of an Executive agency or military department may detail employees, except those required by law to be engaged exclusively in some specific work, among the bureaus and offices of the agency or department.

''(b) The head of an Executive agency or military department may detail to duties in the same or another agency or department, on a nonreimbursable basis, an employee who has been identified by the employing agency as likely to be separated from the Federal service by reduction in force or who has received a specific notice of separation by reduction in force.

''(c)(1) Details under subsection (a)—

''(A) may not be for periods exceeding 120 days; and

''(B) may be renewed (1 or more times) by written order of the head of the agency or department, in each particular case, for periods not exceeding 120 days each.

''(2) Details under subsection (b)—

''(A) may not be for periods exceeding 90 days; and

''(B) may not be renewed.

''(d) The 120-day limitation under subsection (c)(1) for details and renewals of details does not apply to the Department of Defense in the case of a detail—

''(1) made in connection with the closure or realignment of a military installation pursuant to a base closure law or an organizational restructuring of the Department as part of a reduction in the size of the armed forces or the civilian workforce of the Department; and

''(2) in which the position to which the employee is detailed is eliminated on or before the date of the closure, realignment, or restructuring.

''(e) For purposes of this section—

''(1) the term 'base closure law' means—

''(A) section 2687 of title 10;

''(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act; and

''(C) the Defense Base Closure and Realignment Act of 1990; and

''(2) the term 'military installation'—

''(A) in the case of an installation covered by section 2687 of title 10, has the meaning given such term in subsection (e)(1) of such section;

''(B) in the case of an installation covered by the Act referred to in subparagraph (B) of paragraph (1), has the meaning given such term in section 209(6) of such Act; and

''(C) in the case of an installation covered by the Act referred to in subparagraph (C) of paragraph (1), has the meaning given such term in section 2910(4) of such Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 33 of title 5, United States Code, is amended by striking the item relating to section 3341 and inserting the following:

''3341. Details; within Executive agencies and military departments; employees affected by reduction in force.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

TITLE V—SOFT-LANDING PROVISIONS

SEC. 501. TEMPORARY CONTINUATION OF FEDERAL EMPLOYEES' LIFE INSURANCE.

Section 8706 of title 5, United States Code, is amended by adding at the end the following:

''(g)(1) Notwithstanding subsections (a) and (b) of this section, an employee whose coverage under this chapter would otherwise terminate due to a separation described in paragraph (3) shall be eligible to continue basic insurance coverage described in section 8704 in accordance with this subsection and regulations the Office may prescribe, if the employee arranges to pay currently into the Employees Life Insurance Fund, through the former employing agency or, if an annuitant, through the responsible retirement system, an amount equal to the sum of—

''(A) both employee and agency contributions which would be payable if separation had not occurred; plus

''(B) an amount, determined under regulations prescribed by the Office, to cover necessary administrative expenses, but not to exceed 2 percent of the total amount under subparagraph (A).

''(2) Continued coverage under this subsection may not extend beyond the date which is 18 months after the effective date of the separation which entitles a former employee to coverage under this subsection. Termination of continued coverage under this subsection shall be subject to provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance as provided by subsection (a). If an eligible employee does not make an election for purposes of this subsection, the employee's insurance will terminate as provided by subsection (a).

''(3)(A) This subsection shall apply to an employee who, on or after the date of enactment of this subsection and before the applicable date under subparagraph (B)—

''(i) is involuntarily separated from a position due to a reduction in force, or separates voluntarily from a position the employing agency determines is a 'surplus position' as defined by section 8905(d)(4)(C); and

''(ii) is insured for basic insurance under this chapter on the date of separation.

''(B) The applicable date under this subparagraph is October 1, 2001, except that, for purposes of any involuntary separation referred to in subparagraph (A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 2001, the applicable date under this subparagraph is February 1, 2002.''.

SEC. 502. CONTINUED ELIGIBILITY FOR HEALTH INSURANCE.

(a) CONTINUED ELIGIBILITY AFTER RETIREMENT.—Section 8905 of title 5, United States Code, is amended—

(1) in the first sentence of subsection (b) by striking ''An'' and inserting ''Subject to subsection (g), an''; and

(2) by adding at the end the following:

''(g)(1) The Office shall waive the requirements for continued enrollment under subsection (b) in the case of any individual who, on or after the date of the enactment of this subsection and before the applicable date under paragraph (2)—

''(A) is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force,

''(B) based on the separation referred to in subparagraph (A), retires on an immediate annuity under subchapter III of chapter 83 or subchapter II of chapter 84, and

''(C) is enrolled in a health benefits plan under this chapter as an employee immediately before retirement.

''(2) The applicable date under this paragraph is October 1, 2001, except that, for purposes of any involuntary separation referred to in paragraph (1)(A) with respect to which appropriate specific notice is afforded to the affected employee before October 1, 2001, the applicable date under this paragraph is February 1, 2002.

''(3) For purposes of this subsection, the term 'surplus position', with respect to an agency, means any position determined in accordance with regulations under section 8905a(d)(4)(C) for such agency.''.

(b) TEMPORARY CONTINUED ELIGIBILITY AFTER BEING INVOLUNTARILY SEPARATED.—Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A) by striking ''the Department of Defense'' and inserting ''an Executive agency''; and

(2) by amending subparagraph (C) to read as follows:

''(C) For purposes of this paragraph, the term 'surplus position' means a position that, as determined under regulations prescribed by the head of the agency involved, is identified during planning for a reduction in force as being no longer required and is designated for elimination during the reduction in force.''.

SEC. 503. JOB PLACEMENT AND COUNSELING SERVICES.

(a) AUTHORITY FOR SERVICES.—The head of each Executive agency may establish a program to provide job placement and counseling services to current and former employees.

(b) TYPES OF SERVICES AUTHORIZED.—A program established under this section may include such services as—

(1) career and personal counseling;

(2) training in job search skills; and

(3) job placement assistance, including assistance provided through cooperative arrangements with State and local employment service offices.

(c) ELIGIBILITY FOR SERVICES.—Services authorized by this section may be provided to—

(1) current employees of the agency or, with the approval of such other agency, any other agency; and

(2) employees of the agency or, with the approval of such other agency, any other agency who have been separated for less than 1 year, if the separation was not a removal for cause on charges of misconduct or delinquency.

(d) REIMBURSEMENT FOR COSTS.—The costs of services provided to current or former employees of another agency shall be reimbursed by that agency.

SEC. 504. EDUCATION AND RETRAINING INCENTIVES.

(a) NON-FEDERAL EMPLOYMENT INCENTIVE PAYMENTS.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) the term ''eligible employee'' means an employee who is involuntarily separated from a position, or voluntarily separated from a surplus position, in or under an Executive agency due to a reduction in force, except that such term does not include an employee who, at the time of separation, meets the age and service requirements for an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, other than under section 8336(d) or 8414(b) of such title;

(B) the term ''non-Federal employer'' means an employer other than the Government of the United States or any agency or other instrumentality thereof;

(C) the term ''Executive agency'' has the meaning given such term by section 105 of title 5, United States Code; and

(D) the term ''surplus position'' has the meaning given such term by section 8905(d)(4)(C) of title 5, United States Code.

(2) AUTHORITY.—The head of an Executive agency may pay retraining and relocation incentive payments, in accordance with this subsection, in order to facilitate the reemployment of eligible employees who are separated from such agency.

(3) RETRAINING INCENTIVE PAYMENT.—

(A) AGREEMENT.—The head of an Executive agency may enter into an agreement with a non-Federal employer under which the non-Federal employer agrees—

(i) to employ an individual referred to in paragraph (2) for at least 12 months for a salary which is mutually agreeable to the employer and such individual; and

(ii) to certify to the agency head any costs incurred by the employer for any necessary training provided to such individual in connection with the employment by such employer.

(B) PAYMENT OF RETRAINING INCENTIVE PAYMENT.—The agency head shall pay a retraining incentive payment to the non-Federal employer upon the employee's completion of 12 months of continuous employment by that employer. The agency head shall prescribe the amount of the incentive payment.

(C) PRORATION RULE.—The agency head shall pay a prorated amount of the full retraining incentive payment to the non-Federal employer for an employee who does not remain employed by the non-Federal employer for at least 12 months, but only if the employee remains so employed for at least 6 months.

(D) LIMITATION.—In no event may the amount of the retraining incentive payment paid for the training of any individual exceed the amount certified for such individual under subparagraph (A), subject to subsection (c).

(4) RELOCATION INCENTIVE PAYMENT.—The head of an agency may pay a relocation incentive payment to an eligible employee if it is necessary for the employee to relocate in order to commence employment with a non-Federal employer. Subject to subsection (e), the amount of the incentive payment shall not exceed the amount that would be payable for travel, transportation, and subsistence expenses under subchapter II of chapter 57 of title 5, United States Code, including any reimbursement authorized under section 5724b of such title, to a Federal employee who transfers between the same locations as the individual to whom the incentive payment is payable.

(5) DURATION.—No incentive payment may be paid for training or relocation commencing after June 30, 2002.

(6) SOURCE.—An incentive payment under this subsection shall be payable from appropriations or other funds available to the agency for purposes of training (within the meaning of section 4101(4) of title 5, United States Code).

(b) EDUCATIONAL ASSISTANCE.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) the term ''eligible employee'' means an eligible employee, within the meaning of subsection (a), who —

(i) is employed full-time on a permanent basis;

(ii) has completed at least 3 years of current continuous service in any Executive agency or agencies; and

(iii) is admitted to an institution of higher education within 1 year after separation;

(B) the term ''Executive agency'' has the meaning given such term by section 105 of title 5, United States Code;

(C) the term ''educational assistance'' means payments for educational assistance as provided in section 127(c)(1) of the Internal Revenue Code of 1986 (26 U.S.C. 127(c)(1)); and

(D) the term ''institution of higher education'' has the meaning given such term by section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(2) AUTHORITY.—Under regulations prescribed by the Office of Personnel Management, and subject to the limitations under subsection (c), the head of an Executive agency may, in his or her discretion, provide educational assistance under this subsection to an eligible employee for a program of education at an institution of higher education after the separation of the employee.

(3) DURATION.—No educational assistance under this subsection may be paid later than 10 years after the separation of the eligible employee.

(4) SOURCE.—Educational assistance payments shall be payable from appropriations or other funds which would have been used to pay the salary of the eligible employee if the employee had not separated.

(5) REGULATIONS.—The Office of Personnel Management shall prescribe regulations for the administration of this subsection. Such regulations shall provide that educational assistance payments shall be limited to amounts necessary for current tuition and fees only.

(c) LIMITATIONS.—

(1) AGGREGATE LIMITATION.—No incentive payment or educational assistance payment may be paid under this section to or on behalf of any individual to the extent that such amount would cause the aggregate amount otherwise paid or payable under this section, to or on behalf of such individual, to exceed $10,000.

(2) LIMITATION RELATING TO EDUCATIONAL ASSISTANCE.—The total amount paid under subsection (b) to any individual—

(A) may not exceed $6,000 if the individual has at least 3 but less than 4 years of qualifying service; and

(B) may not exceed $8,000 if the individual has at least 4 but less than 5 years of qualifying service.

(3) QUALIFYING SERVICE.—For purposes of paragraph (2), the term ''qualifying service'' means service performed as an employee, within the meaning of section 2105 of title 5, United States Code, on a permanent full-time or permanent part-time basis (counting part-time service on a prorated basis).

TITLE VI—MISCELLANEOUS

SEC. 601. REIMBURSEMENTS RELATING TO PROFESSIONAL LIABILITY INSURANCE.

(a) AUTHORITY.—Notwithstanding any other provision of law, any amounts appropriated, for fiscal year 1997 or any fiscal year thereafter, for salaries and expenses of Government employees may be used to reimburse any qualified employee for not to exceed one-half the costs incurred by such employee for professional liability insurance. A payment under this section shall be contingent upon the submission of such information or documentation as the employing agency may require.

(b) QUALIFIED EMPLOYEE.—For purposes of this section, the term ''qualified employee'' means—

(1) an agency employee whose position is that of a law enforcement officer;

(2) an agency employee whose position is that of a supervisor or management official; or

(3) such other employee as the head of the agency considers appropriate

(c) DEFINITIONS.—For purposes of this section—

(1) the term ''agency'' means an Executive agency, as defined by section 105 of title 5, United States Code;

(2) the term ''law enforcement officer'' means an employee, the duties of whose position are primarily the investigation, apprehension, prosecution, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, including any law enforcement officer under section 8331(20) or 8401(17) of such title 5;

(3) the terms ''supervisor'' and ''management official'' have the respective meanings given them by section 7103(a) of such title 5; and

(4) the term ''professional liability insurance'' means insurance which provides coverage for—

(A) legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such other persons (including the expenses of litigation and settlement) resulting from or arising out of any tortious act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual's official duties as a qualified employee; and

(B) the cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered individual while in the performance of such individual's official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

(d) POLICY LIMITS.—

(1) IN GENERAL.—Reimbursement under this section shall not be available except in the case of any professional liability insurance policy providing for—

(A) not to exceed $1,000,000 of coverage for legal liability (as described in subsection (c)(4)(A)) per occurrence per year; and

(B) not to exceed $100,000 of coverage for the cost of legal representation (as described in subsection (c)(4)(B)) per occurrence per year.

(2) ADJUSTMENTS.—The head of an agency may from time to time adjust the respective dollar amount limitations applicable under this subsection to the extent that the head of such agency considers appropriate to reflect inflation.

SEC. 602. EMPLOYMENT RIGHTS FOLLOWING CONVERSION TO CONTRACT.

(a) IN GENERAL.—An employee whose position is abolished because an activity performed by an Executive agency (within the meaning of section 105 of title 5, United States Code) is converted to contract shall receive from the contractor an offer in good faith of a right of first refusal of employment under the contract for a position for which the employee is deemed qualified based upon previous knowledge, skills, abilities, and experience. The contractor shall not offer employment under the contract to any person prior to having complied fully with this obligation, except as provided in subsection (b), or unless no employee whose position is abolished because such activity has been converted to contract can demonstrate appropriate qualifications for the position.

(b) EXCEPTION.—Notwithstanding the contractor's obligation under subsection (a), the contractor is not required to offer a right of first refusal to any employee who, in the 12 months preceding conversion to contract, has been the subject of an adverse personnel action related to misconduct or has received a less than fully successful performance rating.

(c) LIMITATION.—No employee shall have a right to more than 1 offer under this section based on any particular separation due to the conversion of an activity to contract.

(d) REGULATIONS.—Regulations to carry out this section may be prescribed by the President.

SEC. 603. DEBARMENT OF HEALTH CARE PROVIDERS FOUND TO HAVE ENGAGED IN FRAUDULENT PRACTICES.

(a) IN GENERAL.—Section 8902a of title 5, United States Code, is amended—

(1) in subsection (a)(2)(A) by striking ''subsection (b) or (c)'' and inserting ''subsection (b), (c), or (d)'';

(2) in subsection (b)—

(A) by striking ''may'' and inserting ''shall'' in the matter before paragraph (1); and

(B) by amending paragraph (5) to read as follows:

''(5) Any provider that is currently suspended or excluded from participation under any program of the Federal Government involving procurement or nonprocurement activities.'';

(3) by redesignating subsections (c) through (i) as subsections (d) through (j), respectively, and by inserting after subsection (b) the following:

''(c) The Office may bar the following providers of health care services from participating in the program under this chapter:

''(1) Any provider—

''(A) whose license to provide health care services or supplies has been revoked, suspended, restricted, or not renewed, by a State licensing authority for reasons relating to the provider's professional competence, professional performance, or financial integrity; or

''(B) that surrendered such a license while a formal disciplinary proceeding was pending before such an authority, if the proceeding concerned the provider's professional competence, professional performance, or financial integrity.

''(2) Any provider that is an entity directly or indirectly owned, or with a 5 percent or more controlling interest, by an individual who is convicted of any offense described in subsection (b), against whom a civil monetary penalty has been assessed under subsection (d), or who has been excluded from participation under this chapter.

''(3) Any provider that the Office determines, in connection with claims presented under this chapter, has charged for health care services or supplies in an amount substantially in excess of such provider's customary charges for such services or supplies (unless the Office finds there is good cause for such charge), or charged for health care services or supplies which are substantially in excess of the needs of the covered individual or which are of a quality that fails to meet professionally recognized standards for such services or supplies.

''(4) Any provider that the Office determines has committed acts described in subsection (d).'';

(4) in subsection (d), as so redesignated by paragraph (3), by amending paragraph (1) to read as follows:

''(1) in connection with claims presented under this chapter, that a provider has charged for a health care service or supply which the provider knows or should have known involves—

''(A) an item or service not provided as claimed;

''(B) charges in violation of applicable charge limitations under section 8904(b); or

''(C) an item or service furnished during a period in which the provider was excluded from participation under this chapter pursuant to a determination by the Office under this section, other than as permitted under subsection (g)(2)(B);'';

(5) in subsection (f), as so redesignated by paragraph (3), by inserting ''(where such debarment is not mandatory)'' after ''under this section'' the first place it appears;

(6) in subsection (g), as so redesignated by paragraph (3)—

(A) by striking ''(g)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(g)(1)(A) Except as provided in subparagraph (B), debarment of a provider under subsection (b) or (c) shall be effective at such time and upon such reasonable notice to such provider, and to carriers and covered individuals, as shall be specified in regulations prescribed by the Office. Any such provider that is excluded from participation may request a hearing in accordance with subsection (h)(1).

''(B) Unless the Office determines that the health or safety of individuals receiving health care services warrants an earlier effective date, the Office shall not make a determination adverse to a provider under subsection (c)(4) or (d) until such provider has been given reasonable notice and an opportunity for the determination to be made after a hearing as provided in accordance with subsection (h)(1).'';

(B) in paragraph (3)—

(i) by inserting ''of debarment'' after ''notice''; and

(ii) by adding at the end the following: ''In the case of a debarment under paragraphs (1) through (4) of subsection (b), the minimum period of exclusion shall not be less than 3 years, except as provided in paragraph (4)(B)(ii).''; and

(C) in paragraph (4)(B)(i)(I) by striking ''subsection (b) or (c)'' and inserting ''subsection (b), (c), or (d)'';

(7) in subsection (h), as so redesignated by paragraph (3), by striking ''(h)(1)'' and all that follows through the end of paragraph (2) and inserting the following:

''(h)(1) Any provider of health care services or supplies that is the subject of an adverse determination by the Office under this section shall be entitled to reasonable notice and an opportunity to request a hearing of record, and to judicial review as provided in this subsection after the Office renders a final decision. The Office shall grant a request for a hearing upon a showing that due process rights have not previously been afforded with respect to any finding of fact which is relied upon as a cause for an adverse determination under this section. Such hearing shall be conducted without regard to subchapter II of chapter 5 and chapter 7 of this title by a hearing officer who shall be designated by the Director of the Office and who shall not otherwise have been involved in the adverse determination being appealed. A request for a hearing under this subsection must be filed within such period and in accordance with such procedures as the Office shall prescribe by regulation.

''(2) Any provider adversely affected by a final decision under paragraph (1) made after a hearing to which such provider was a party may seek review of such decision in the United States District Court for the District of Columbia or for the district in which the plaintiff resides or has his principal place of business by filing a notice of appeal in such court within 60 days from the date the decision is issued and simultaneously sending copies of such notice by certified mail to the Director of the Office and to the Attorney General. In answer to the appeal, the Director of the Office shall promptly file in such court a certified copy of the transcript of the record, if the Office conducted a hearing, and other evidence upon which the findings and decision complained of are based. The court shall have power to enter, upon the pleadings and evidence of record, a judgment affirming, modifying, or setting aside, in whole or in part, the decision of the Office, with or without remanding the cause for a rehearing. The district court shall not set aside or remand the decision of the Office unless there is not substantial evidence on the record, taken as a whole, to support the findings by the Office of a cause for action under this section or unless action taken by the Office constitutes an abuse of discretion.''; and

(8) in subsection (i), as so redesignated by paragraph (3)—

(A) by striking ''subsection (c)'' and inserting ''subsection (d)''; and

(B) by adding at the end the following: ''The amount of a penalty or assessment as finally determined by the Office, or other amount the Office may agree to in compromise, may be deducted from any sum then or later owing by the United States to the party against whom the penalty or assessment has been levied.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTIONS.—(A) Paragraphs (2) and (4) of section 8902a(c) of title 5, United States Code, as amended by subsection (a), shall apply only to the extent that the misconduct which is the basis for debarment thereunder occurs after the date of the enactment of this Act.

(B) Section 8902a(d)(1)(B) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to charges which violate section 8904(b) of such title 5 for items and services furnished after the date of the enactment of this Act.

(C) Section 8902a(g)(3) of title 5, United States Code, as amended by subsection (a), shall apply only with respect to debarments based on convictions occurring after the date of the enactment of this Act.

SEC. 604. CONSISTENT COVERAGE FOR INDIVIDUALS ENROLLED IN A HEALTH PLAN ADMINISTERED BY THE FEDERAL BANKING AGENCIES.

Section 5 of the FEGLI Living Benefits Act (Public Law 103–409; 108 Stat. 4232) is amended—

(1) by inserting ''and the Board of Governors of the Federal Reserve System'' after ''Office of the Comptroller of the Currency and the Office of Thrift Supervision'' each place it appears;

(2) in subsection (a), by inserting ''or under a health benefits plan not governed by chapter 89 of such title in which employees and retirees of the Board of Governors of the Federal Reserve System participated before January 4, 1997,'' after ''January 7, 1995,'';

(3) in subsection (b)—

(A) by inserting ''(in the case of the Comptroller of the Currency and the Office of Thrift Supervision) or on January 4, 1997 (in the case of the Board of Governors of the Federal Reserve System)'' after ''on January 7, 1995'' each place it appears;

(B) by inserting '', or in which employees and retirees of the Board of Governors of the Federal Reserve System participate,'' after ''Office of the Comptroller of the Currency or the Office of Thrift Supervision'' each place it appears; and

(C) by inserting ''(in the case of the Comptroller of the Currency and the Office of Thrift Supervision) or after January 5, 1997 (in the case of the Board of Governors of the Federal Reserve System)'' after ''January 8, 1995'' each place it appears;

(4) in subsection (b)(1)(A), by striking ''title;'' and inserting ''title or a retiree (as defined in subsection (e);''; and

(5) by adding at the end the following:

''(e) DEFINITION.—For purposes of this section, the term 'retiree' shall mean an individual who is receiving benefits under the Retirement Plan for Employees of the Federal Reserve System.''.

SEC. 605. AMENDMENT TO PUBLIC LAW 104–134.

Paragraph (3) of section 3110(b) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–343) is amended to read as follows:

''(3) The Corporation shall pay to the Thrift Savings Fund such employee and agency contributions as are required by sections 8432 and 8351 of title 5, United States Code, for those employees who elect to retain their coverage under the Civil Service Retirement System or the Federal Employees' Retirement System pursuant to paragraph (1).''.

SEC. 606. MISCELLANEOUS AMENDMENTS RELATING TO THE HEALTH BENEFITS PROGRAM FOR FEDERAL EMPLOYEES.

(a) DEFINITION OF A CARRIER.—Paragraph (7) of section 8901 of title 5, United States Code, is amended by striking ''organization;'' and inserting ''organization and the Government-wide service benefit plan sponsored by an association of organizations described in this paragraph;''.

(b) SERVICE BENEFIT PLAN.—Paragraph (1) of section 8903 of title 5, United States Code, is amended by striking ''plan,'' and inserting ''plan, underwritten by participating affiliates licensed in any number of States,''.

(c) PREEMPTION.—Section 8902(m) of title 5, United States Code, is amended by striking ''(m)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(m)(1) The terms of any contract under this chapter which relate to the nature, provision, or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to health insurance or plans.''.

SEC. 607. PAY FOR CERTAIN POSITIONS FORMERLY CLASSIFIED AT GS–18.

Notwithstanding any other provision of law, the rate of basic pay for positions that were classified at GS–18 of the General Schedule on the date of the enactment of the Federal Employees Pay Comparability Act of 1990 shall be set and maintained at the rate equal to the highest rate of basic pay for the Senior Executive Service under section 5382(b) of title 5, United States Code.

SEC. 608. REPEAL OF SECTION 1307 OF TITLE 5 OF THE UNITED STATES CODE.

(a) IN GENERAL.—Section 1307 of title 5, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 13 of title 5, United States Code, is amended by repealing the item relating to section 1307.

SEC. 609. EXTENSION OF CERTAIN PROCEDURAL AND APPEAL RIGHTS TO CERTAIN PERSONNEL OF THE FEDERAL BUREAU OF INVESTIGATION.

(a) IN GENERAL.—Section 7511(b)(8) of title 5, United States Code, is amended by striking ''the Federal Bureau of Investigation,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any personnel action taking effect after the end of the 45-day period beginning on the date of the enactment of this Act.

Mr. MICA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Florida [Mr. MICA].

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the

third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3841.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

L. CLURE MORTON UNITED STATES POST OFFICE AND COURTHOUSE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the Senate bill (S. 1931) to provide that the United States Post Office and Courthouse building located at 9 East Broad Street, Cookeville, TN, shall be known and designated as the ''L. Clure Morton United States Post Office and Courthouse.''

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. TRAFICANT. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Maryland [Mr. GILCHREST] to explain the bill.

□ 1830

Mr. GILCHREST. I thank the gentleman for yielding.

Mr. Speaker, S. 1931 is a bill which would designate the United States Post Office and Courthouse in Cookeville, TN as the L. Clure Morton United States Post Office and Courthouse.

Judge Morton was appointed to the U.S. District Court by President Richard M. Nixon, on July 15, 1977.

He was elevated to Chief Judge and took Senior status on July 31, 1984. As a District Judge, Judge Morton was known as exacting but fair, delivering decisions based upon the letter of the law rather than strong public sentiment.

In 1971, Judge Morton rendered a decision ordering the massive crosstown busing of students in Nashville in order to desegregate the public school system. Among Judge Morton's other notable decisions were those that led to sweeping reforms in Tennessee's prison, welfare and mental health systems.

Judge Morton retired from the bench this past August. He has been a dutiful public servant for over 25 years; this bill is a fitting tribute to an accomplished jurist.

Mr. TRAFICANT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Minnesota [Mr. OBERSTAR], the distinguished ranking member on our committee.

(Mr. OBERSTAR asked and was given permission to revise and extend his remarks.)

Mr. OBERSTAR. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this legislation to designate the U.S. Post Office and Courthouse in Cookeville, TN in honor of Judge Morton.

Mr. Speaker, S. 1931 would designate the U.S. Post Office and Courthouse in Cookeville. TN in honor of Judge L. Clure Morton. This bill has full bipartisan support in the House of Representatives.

Judge L. Clure Morton graduated from the University of Tennessee Law School and practiced law in the private sector for 33 years. His judicial career began in 1970 when he was appointed to the Federal bench as District Court Judge in Nashville. In 1977 he was elevated to Senior Judge, and in 1984 Judge Morton took senior status.

Judge Morton has decided to retire after 26 years of exemplary public service. He will be fondly remembered as a man of fairness, insight, and scholarly reasoning.

It is fitting and proper to honor the outstanding career and civic contributions of Judge L. Clure Morton by designating the Federal buildings in Cookeville, TN as the ''L. Clure Morton Post Office and Courthouse.''

I support S. 1931 and urge its passage.

Mr. TRAFICANT. Mr. Speaker, Judge Morton has served the citizens of Tennessee for 26 years, beginning his career in 1970 with an appointment to the Federal bench.

Judge Morton is known for his fairness, judicial innovation and courtroom demeanor. He has tackled such controversial issues as school integration, welfare, mental health, and prison reform. He is honored and respected by not only the Tennessee community at large but also his judicial peers and colleagues. This designation is a fitting tribute to Judge L. Clure Morton. I support the legislation and urge its passage.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF L. CLURE MORTON UNITED STATES POST OFFICE AND COURTHOUSE.

The United States Post Office and Courthouse building located at 9 East Broad Street, Cookeville, Tennessee, shall be known and designated as the ''L. Clure Morton United States Post Office and Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States Post Office and Courthouse building referred to in section 1 shall be deemed to be a reference to the ''L. Clure Morton United States Post Office and Courthouse''.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1931.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

TED WEISS UNITED STATES COURTHOUSE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 4042) to designate the United States courthouse located at 500 Pearl Street in New York City, New York, as the ''Ted Weiss United States Courthouse.''

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. TRAFICANT. Mr. Speaker, reserving the right to object, I yield to the distinguished chairman from Maryland [Mr. GILCHREST] for an explanation of the legislation.

Mr. GILCHREST. I thank the gentleman from Ohio for yielding.

Mr. Speaker, H.R. 4042 is a bill which would designate the United States Courthouse in New York City as the Ted Weiss United States Courthouse. Ted Weiss was born in Gava, Hungary in September 1927. He and his family fled Eastern Europe to escape Nazi persecution on the last passenger ship to leave Hamburg, Germany during the course of World War II, arriving in the United States in 1938.

In 1961, Ted Weiss was elected to the New York City Council where he was influential in writing the city's gun control laws and environmental measures. After 15 years of service as a councilman, he was elected to the United States House of Representatives in 1976.

As a colleague of so many in this body, Ted Weiss is remembered as a thoughtful advocate of all that he believed. Though one may not have always agreed with his position, one could always respect the force of his convictions. Unfortunately, Ted passed away on September 4, 1992.

The naming of this courthouse in his honor is a fitting tribute to a distinguished colleague.

Mr. TRAFICANT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Minnesota [Mr. OBERSTAR], the distinguished ranking member of the Committee on Transportation and Infrastructure.

(Mr. OBERSTAR asked and was given permission to revise and extend his remarks.)

Mr. OBERSTAR. I thank the gentleman for yielding.